

November 9, 2005

Mr. Daniel Dixon
Manager – Sales and Marketing
Pratt & Whitney Canada Corp ESP® Administration (05DK1)
1000 Marie - Victorin
Longueuil, Québec
J4G 1A1 CANADA

Mr. Dixon:

This letter (the "Letter of Agreement – L.O.A.") is intended to set forth the terms of Miami-Dade County's (the "County") Eagle Service Plan™ (ESP® Agreement) and the Fleet Enhancement Program (FEP Agreement) with Pratt & Whitney Canada Corp. (the "Contractor"), for spare engine parts support, including, but not limited to, repair, overhaul, and replacement spare engine parts for the current two helicopters (with aircraft serial numbers 36248 and 36269), and additional two Bell Helicopters ((The first helicopter (serial number 36358) is expected to be delivered during the third quarter of 2005 and the second (serial number not assigned yet) to be delivered during the middle of 2006, both of these helicopters will be Model 412-EP)) operated by the Miami-Dade Fire Department (MDFR), Air Rescue Division.

The Contract shall consist of (1) this L.O.A.; (2) Appendix A – Scope of Services – ESP® Agreement; (3) Appendix B – Price Schedule; (4) Appendix C – Scope of Services – FEP Agreement; and, (6) Appendix D – Service Plan Report..

The terms of the agreement are as follows:

- 1) The effective date and expiration date of this L.O.A. shall be identical to the dates noted on the respective ESP®/FEP Agreements. An individual ESP®/FEP Agreement will be drawn up for each of the four helicopters within the fleet maintained and operated by the Air-Rescue Division of Miami-Dade's Fire Department. Each ESP®/FEP Agreement will run for a five (5) year period from the time it is executed and will be exclusive to the helicopter it covers. There is a sample of the ESP® Agreement attached to this L.O.A. as Appendix A and a sample of the FEP Agreement attached to this L.O.A. as Appendix C, the actual ESP®/FEP Agreements that will be signed will contain all of the pertinent information related to the helicopter being serviced (i.e. serial number of the helicopter, serial number of the engine, flight hours used, etc...).
- 2) This L.O.A. shall be effective for the initial five (5) year term of each of the ESP®/FEP Agreements with three (3), five (5) year options to renew (OTRs) each ESP®/FEP Agreement at the County's sole discretion.

The amount of this L.O.A., which includes four (4) individual ESP® agreements, is not to exceed **Five Million, Five Hundred Dollars (\$5,500,000.00)** for the initial five (5) year term of the four combined ESP/FEP Agreements.

This amount is the County's best estimate of its needs and includes expected future requirements. The County makes no representations or guarantees; and the County shall not be responsible for the accuracy of the estimate presented or conclusions to be drawn there from; and any estimates shall not form the basis of any claim by the Contractor. The Contractor is not required to perform the Contract to the extent such services will exceed the financial limitation specified in Section 3.

The Contractor will be paid for the Contract amount upon the County's submission of the monthly flight hours as calculated by the County in their ESP[®] monthly report / invoice.

- 3) Prices for the first year of the initial five (5) year terms is specified in Appendix B – Price Schedule, subject to adjustment for the exceptions below. Thereafter, prices may be adjusted annually in accordance to the ESP[®] agreement. Any price adjustments shall become effective the first day of January in each Contract year. The Contractor shall provide the County thirty (30) days' notice of its desire to adjust annual prices as noted above.
- 4) The County's Project Manager (Director of the Fire Department, Air Rescue Division) or designee located at 14150 SW 127th Street Miami, FL 33186 will manage this Contract on behalf of the County.
- 5) All notices required or permitted under this Agreement shall be in writing and shall be deemed sufficiently served if sent by registered or Certified Mail, return receipt requested, or delivered personally, (or fax delivery with hard copy to follow in the format stated in this subparagraph) in any case addressed as follows:

(1) To the County

- a) to the Project Manager:

Miami-Dade County
Fire Department
Air Rescue Division
14150 SW 127th Street
Miami, FL 33186
Attention: Director

and,

- b) to the Contract Manager:

Miami-Dade County
Department of Procurement Management
111 NW 1st Street, Suite 1375
Miami, FL 33128-1989

Attention: Director

(2) To the Contractor:

Pratt & Whitney Canada Corp ESP® Administration (05DK1)
1000 Marie - Victorin
Longueuil, Québec
J4G 1A1 CANADA
Mr. Daniel Dixon
Manager – Sales and Marketing

Either party may at any time designate a different address by giving notice as provided above to the other party. Such notices shall be deemed given upon receipt by the addressee.

- 6) In accordance with the terms of Article 4, PAYMENT, of the ESP® Agreement, the Contractor's "ESP® Monthly Report / Power Charge Invoice" shall be the sole invoice document, which shall be self generated and calculated by the County, which shall show the Contractor's County Contract number (i.e. the ESP® Agreement number) and which shall be supplied and paid by the County to the Contractor. For clarity, no other invoice document shall be generated or presented to the County for payment. Should the County wish to negotiate and arrange that a third party, such as Bell Helicopter, acts on behalf of the County as a 'flow through' agent for submission of the aforementioned ESP® Monthly Report / Invoice and payments, the Contractor would accept such arrangement with the understanding that this arrangement in no way negates or absolves the County's obligation to fulfill such requirements. The County shall advise the Contractor when such arrangement has been established, or when such arrangement has been terminated.

Monthly payment obligations shall be determined in the following manner:

- a) During each period of twelve (12) consecutive calendar months after the effective date of each of the individual ESP® agreements, the County will pay to the Contractor, a minimum charge equal to 150 Flight Hours, per individual helicopter, multiplied by the effective Contractor's Plan Rate. If in any such twelve (12) month period the County has not paid the Contractor such minimum amount, the Contractor will invoice the County for the difference between the total amount paid by the County during such twelve (12) month period and the minimum amount.
- b) If the County fails to submit the Monthly Operating Report as specified in Section 6 (above), the Contractor will invoice the County for an amount based on the greatest number of Flight Hours previously reported by the County for any month. This amount shall be adjusted on receipt by the Contractor of a Monthly Operating Report from the County indicating the actual Flight Hours for the subject helicopter(s) for the appropriate reporting period and any excess amount paid by the County for the subject reporting period shall be credited against the next month's County payment. d) Upon termination of this Agreement and no renewal Agreement is pending, the County shall submit to the Contractor a final monthly report indicating the actual Flight Hours for the subject helicopter(s) up to the termination date and the Contractor shall furnish to

the County a final invoice for unpaid charges for the Agreement up to and including the date of termination. The County will continue to be liable for all outstanding unpaid charges that have accrued through the date of termination.

- 7) (Intentionally Omitted)
- 8) The County reserves the right to cancel or terminate this Contract (or the respective Aircraft's ESP[®] Agreement) at any time, with or without cause, by written notice to the Contractor. Any reimbursement that is due to the County, or resolution of unpaid amounts, shall be determined and resolved by the Contractor in accordance with article 12, TERMINATION, and Annex I, REIMBURSEMENT PROVISION FOR FIRST ENROLLED OPERATOR, where applicable, of the Aircraft's respective ESP(R) Agreement.

Following the application of such terms to the ESP[®], the portion of the Contractor's Hourly Rate attributable to and paid for the FEP (Fleet Enhancement Program), that has not been applied to either an FEP new engine exchange or to resolve any outstanding payment issues as stipulated in the ESP[®] Agreement, shall be fully reimbursed to the County.

Termination notices shall be in writing and shall be deemed sufficiently served if sent by Registered or Certified Mail, return receipt requested, or delivered personally, (or fax delivery with hard copy to follow in the format stated in this subparagraph) in any case addressed as follows:

- (a) To the County to the following address:

Miami-Dade County
Fire Department
Air Rescue Division
14150 SW 127th Street
Miami, FL 33186
Attention: Director

and;

Miami-Dade County
Department of Procurement Management
111 NW 1st Street, Suite 1375
Miami, FL 33128-1989
Attention: Contract Manager

- (b) To the Contractor:

Pratt & Whitney Canada Corp
ESP[®] Administration (05DK1)

1000 Marie - Victorin
Longueuil, Québec
J4G 1A1 CANADA
Mr. Daniel Dixon
Manager – Sales and Marketing

Either party may at any time designate a different address by giving notice as provided above to the other party. Such notices shall be deemed given upon receipt by the addressee.

9) The Contractor represents that:

- (a) No officer, director, employee, agent or other Contractor of the County or a member of the immediate family or household of the aforesaid has directly or indirectly received or been promised any form of benefit, payment or compensation, whether tangible or intangible, in connection with the grant of this Contract.
- (b) There is no undisclosed person or entities with the Contractor in this Agreement. This Agreement is entered into by you without any connection with any other entity or person making a proposal for the same purpose, and without collusion, fraud or conflict of interest. No elected or appointed officer or official, director, employee, agent or other Contractor of the County, or member of the immediate family or household of any of the aforesaid:
 - i) is interested on behalf of or through you directly or indirectly in any manner whatsoever in the execution or the performance of this Agreement, or in the Services, supplies or Work, to which this Agreement related or in any portion of the revenues; or
 - ii) is an employee, agent, advisor, or Contractor to Contractor.
- c) Neither the Contractor nor any officer, director, employee, agency, parent, subsidiary, or affiliate of the Contractor shall have an interest which is in conflict with the Contractor's faithful performance of its obligation under this Agreement; provided that the County, in its sole discretion, may consent in writing to such a relationship, provided the Contractor provides the County with a written notice, in advance which identifies all the individuals and entities involved and sets forth in detail the nature of the relationship and why it is in the County's best interest to consent to such relationship.
- d) The provisions of this Article are supplemental to, not in lieu of, all applicable laws with respect to conflict of interest. In the event there is a difference between the standards applicable under this Agreement and those provided by statute, the stricter standard apply.

- 10) (Intentionally Omitted)
- 11) Upon County's notification, the Contractor shall, furnish to Miami-Dade County, Department of Procurement Management, RFP Section, 111 N.W. 1st Street, Suite 1375, Miami, Florida 33128-1974, Certificates of Insurance that indicate that insurance coverage has been obtained, which meets the requirements as outlined below:
- A. "General Liability in an amount of \$15,000,000 combined single limit per occurrence for bodily injury and property damage. Miami-Dade County will be shown as an additional insured with respect to this coverage."
- 12) (Intentionally Omitted)
- 13) (Intentionally Omitted)
- 14) Contractor's personnel shall not be employees of Miami-Dade County.
- 15) (Intentionally Omitted)
- 16) (Intentionally Omitted)
- 17) During the performance of this Contract, Contractor agrees to: not discriminate against any employee or applicant for employment because of race, religion, color, sex, disability, marital status, age, ancestry, national origin, pregnancy, familial status or sexual orientation and will take affirmative action to insure that they are afforded equal employment opportunities without discrimination. Such action shall be taken with reference to, but not limited to: recruitment, employment, termination, rates of pay or other forms of compensation, and selection for training or retraining, including apprenticeship and on the job training.
- The Contractor shall ensure that no person shall, solely on the basis of race, color, national origin, religion, sex, handicap, or age, be denied service, or be subjected to discrimination under any activity associated with this Contract.
- 18) Assignment – The County may not assign its interests in the Contract, in whole or in part, without the Contractor's prior written consent. All changes to this Contract must receive prior written approval from the County.
- 19) If the Contractor commits any fraud, misrepresentation or material misstatement regarding its contractual obligations to the County, the County shall have the right to terminate this Contract; seek judgment for any monies due to the County, and; as a further sanction, the county may terminate or cancel any other contracts which the Contractor has with the County. The Contractor shall be responsible for all direct costs associated with such termination or cancellation, including attorney's fees. The Contractor may also be disbarred from any County contracting for up to five (5) years.

- 20) (Intentionally Omitted)
- 21) (Intentionally Omitted)
- 22) (Intentionally Omitted)
- 23) The Contractor shall be a registered vendor with the County – Department of Procurement Management – Vendor Assistance Unit, for the duration of this Agreement. It is the responsibility of the Contractor to file the appropriate Vendor Application and to update the Application file for any changes for the duration of this Agreement.

Section 2-11.1(d) of Miami-Dade County Code as amended by Ordinance 00-1, requires any county employee or any member of the employee's immediate family who has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County from competing or applying for any such contract as it pertains to this solicitation, must first request a conflict of interest opinion from the County's Ethic Commission prior to their or their immediate family member's entering into any contract or transacting any business through a firm, corporation, partnership or business entity in which the employee or any member of the employee's immediate family has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County and that any such contract, agreement or business engagement entered in violation of this subsection, as amended, shall render this Agreement voidable. For additional information, please contact the Ethics Commission hotline at (305) 579-2593.

24) INSPECTOR GENERAL REVIEWS

- (a) Pursuant to Miami-Dade County Administrative Order 3-20, the County has the right to retain the services of an Independent Private Sector Inspector General (hereinafter "IPSIG"), whenever the County deems it appropriate to do so. The IPSIG shall have any and all rights provided by law to perform audits of this Contract.
- (b) According to Section 2-1076 of the Code of Miami-Dade County, as amended by Ordinance No. 99-63, Miami-Dade County has established the Office of the Inspector General which may, on a random basis, perform audits on all County Contracts, throughout the duration of said Contracts, except as otherwise provided below. The cost of the audit for this Contract shall be one quarter (1/4) of one (1) percent of the total Contract amount which cost shall be included in the total Contract amount. The audit cost will be deducted by the County from progress payments to the Contractor. The audit cost shall also be included in all change orders and all Contract renewals and extensions.

Exception: The above application of one quarter (1/4) of one percent fee assessment shall not apply to the following Contracts: (a) IPSIG Contracts; (b) Contracts for legal services; (c) Contracts for financial advisory services; (d) auditing Contracts; (e) facility rentals and lease agreements; (f) concessions and

other rental agreements; (g) insurance Contracts; (h) revenue-generating Contracts; (I) Contracts where an IPSIG is assigned at the time the Contract is approved by the Commission; (j) professional service agreements under \$1,000; (k) management agreements; (l) small purchase orders as defined in Miami-Dade County Administrative Order 3-2; (m) federal, state and local government-funded grants; and (n) interlocal agreements. *Notwithstanding the foregoing, the Miami-Dade County Board of County Commissioners may authorize the inclusion of the fee assessment of one quarter (1/4) of one percent in any exempted Contract at the time of award.*

- 25) The Contractor understands and agrees that any assumptions, parameters, projections, estimates and explanations presented by the County herein are provided to the Contractor for evaluation purposes only. However, since these assumptions, parameters, projections, estimates and explanations represent predictions of future events, the County makes no representations or guarantees; and the County shall not be responsible for the accuracy of the assumptions presented; and the County shall not be responsible for conclusions to be drawn there from; and any assumptions, parameters, projections, estimates and explanations shall not form the basis of any claim by the Contractor. The Contractor accepts all risks associated with using this information.

26) COUNTY USER ACCESS PROGRAM (UAP)

a) User Access Fee

Pursuant to Miami-Dade County Budget Ordinance No. 03-192, this Contract is subject to a user access fee under the County User Access Program (UAP) in the amount of two percent (2%). All sales resulting from this Contract, or any contract resulting from this solicitation and the utilization of the County contract price and the terms and conditions identified herein, are subject to the two percent (2%) UAP. This fee applies to all contract usage whether by County Departments or by any other governmental, quasi-governmental or not-for-profit entity.

The Contractor providing goods or services under this Contract shall receive the ESP[®] Monthly Report / Power Charge Invoice at the contract price and shall accept as payment thereof the contract price less the 2% UAP as full and complete payment for the goods and/or services specified on the invoice. The County shall retain the 2% UAP for use by the County to help defray the cost of the procurement program. Vendor participation in this invoice reduction portion of the UAP is mandatory.

b) Contractor Compliance

If a Contractor fails to comply with this Article, that Contractor may be considered in default by the County in accordance with Article 12 of the ESP Agreement.

- 27) Force Majeure – If the Contractor shall be unable to perform its obligations under this Contract for reasons of a Force Majeure, which term shall include, but not be limited, to


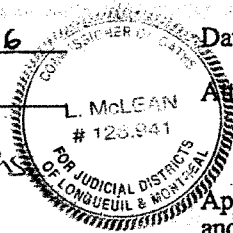
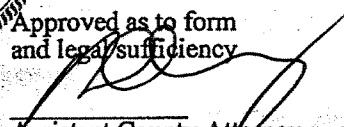
strikes, lockouts, riots, epidemics, war, governmental regulations, fires, acts of God, failure to obtain engine parts from suppliers due to a Force Majeure condition at the supplier's facility or other causes beyond the Contractor's control, the Contractor shall not be responsible for delays in delivery or performance under the Contract.

- 28) (Intentionally Omitted)
- 29) Ordinances, Resolutions and/or Administrative Orders - To request a copy of any ordinance, resolution and/or administrative order cited in this Contract, the Contractor must contact the Clerk of the Board at (305) 375-5126.
- 30) Buy-In Adjustment - If at the time of issuance of the Purchase Order related to this Agreement, the subject aircraft(s) has accumulated more than 30 total hours, the Contractor shall invoice the County for the difference between the total time at the Purchase Order issue date and 30 hours. The invoiced amount will equal the hourly difference times the agreed hourly rate.
- 31) Spare engine part - Shipments of a spare engine part from the Contractor are FOB Contractor's facility. All shipping charges will be prepaid by Contractor, in accordance with Appendix A, Section 8.1, Other Requirements.
- 32) Remaining Warranty - As of the date of this Contract's termination and no renewal Contract is pending, the terms of any remaining warranties shall be in accordance with Contractor's standard commercial new aircraft engine and engine spare parts warranties.
- 33) Return Policy - Refer to Appendix A, ESP[®] Procedures for disposition of parts covered under this Agreement. In the case of the removal of a Covered engine Part that is returned to the Contractor by the County and is subsequently determined by the Contractor to be serviceable, the County will be charged the full list price of that Covered engine Part. The returned serviceable Covered engine Part will be sent back to the County.
- 34) Restocking Fee - Spare engine parts purchased by the County through its trade account will be subject to Contractor's standard re-stocking fee.
- 35) Order of Precedence - In the event of conflict between the terms of this Letter of Agreement and the terms of the attached ESP[®] Agreement, the terms of the ESP[®] Agreement shall have precedence.

If the foregoing accurately reflects our agreement regarding your performance for undertaking the Pratt & Whitney Canada's Plan, please sign and return the five enclosed copies of this letter.

Pratt & Whitney Canada Corp.

Miami-Dade County

By: By: Name: GEORGE NADERName: HOWARD PIPERTitle: GENERAL SALES MANAGERTitle: DEPUTY DIRECTORDate: FEB-1-2006Date: August 9, 2006Attest: L. McLean
SecretaryAttest: [Signature]
Clerk of the BoardCommissioner of Public Works
Corporate SealApproved as to form
and legal sufficiency
Assistant County Attorney8-9-06
Date

Attachments:

- Appendix A – Scope of Services – ESP® Agreement
- Appendix B – Price Schedule
- Appendix C – Scope of Services – FEP Agreement
- Appendix D – Invoice / Monthly Service Plan Report

Appendix A**SCOPE OF SERVICES - PRATT & WHITNEY CANADA ESP® AGREEMENT**

The scope, terms and conditions of the ESP(R) Agreement will be the version as executed at the date of aircraft entry into service or, upon expiration of such ESP(R) Agreement(s), at the date of subsequent renewal(s). The following example of a current ESP(R) Agreement is attached for reference and information purposes.



**SCOPE
TERMS
CONDITIONS**



PRATT & WHITNEY CANADA CORP.

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1. DEFINITIONS

In this Agreement:

- 1.1 **"Accessory"** means the specific Line Replaceable Unit (LRU) listed in Annex F attached hereto;
- 1.2 **"Abbreviated Cycle"** means the additional multiple Flight(s) within an Engine Cycle over and above one Flight, i.e., within an Engine Cycle, the number of Flights minus one (1). An Abbreviated Cycle factor is a division factor that is applied to the number of Abbreviated Cycles to reduce the life of the Life Limited Part (LLP) as specified in the P&WC Maintenance Manual;
- 1.3 **"Aircraft"** means the Aircraft described in the Specification on the signature page, and upon which the Engine is installed;
- 1.4 **"AOG"** means Aircraft On Ground, and indicates a condition that an Aircraft is no longer airworthy and unable to continue in service until appropriate action is taken to return the Aircraft to a serviceable or airworthy condition;
- 1.5 **"APR"** means the Auxiliary Power Rating utilized for PW305B maximum thrust take-off under special conditions as specified in the Aircraft flight manual;
- 1.6 **"ASP"** means the Above Specification Performance utilized for PT6B-36 take-off under special conditions as specified in the Aircraft flight manual;
- 1.7 **"Basic"** means a deteriorated condition or malfunction of the Engine which is attributable to normal wear and tear from normal operation in benign environments, or premature Component induced deterioration or malfunction. For clarity, conditions caused by externally induced factors such as FOD, lightning, erosion, material corrosion or sulphidation from operation in environments prevalent to such conditions, are not considered Basic;
- 1.8 **"BUER"** means Basic Unplanned Engine Removal, the premature removal of the Engine as a consequence of failure due to an Engine or Component induced malfunction;
- 1.9 **"Component"** means an Engine part normally supplied by P&WC, as part of the Engine's build specification, and does not include items such as starters, generators, nozzles or thrust reversers, unless specified in Annex F for the applicable Engine model;
- 1.10 **"Compressor Turbine (CT) Cycle"** means a cycle computed and recorded by the electronic data collection unit Engine control for the compressor turbine disk, the value of which is determined by the Engine speeds and temperatures utilized on a mission by mission basis;
- 1.11 **"Compressor Turbine (CT) Cycle Rate"** means the dollar rate per CT Cycle for PW200 engines charged for the workscope provided in this Agreement;
- 1.12 **"Consumables"** means a Component which, by design, can only be used once and is replaced irrespective of apparent condition during the course of inspection, removal, maintenance, HSI, Repair, major refurbishment or Scheduled Overhaul;
- 1.13 **"Contract Year"** means the period beginning 01 January and ending 31 December in each year, during the term of this Agreement;
- 1.14 **"Designated Analysis Center (DAC)"** means the P&WC approved Engine Condition Trend Monitoring supplier;
- 1.15 **"Designated Facility"** means any service center designated to the Operator by P&WC where services covered by this Agreement may be performed;
- 1.16 **"ESP"** means Eagle Service Program, the budgeted maintenance agreement between the Operator and P&WC pursuant to which P&WC becomes responsible for the Engine's maintenance expenses specified in this Agreement and for which service the Operator pays an hourly charge based on Engine usage, as further described herein;
- 1.17 **"Engine"** means the P&WC turbine Engine covered under this Agreement as described in the Specification on the signature page;
- 1.18 **"Engine Cycle"** means any Engine operational sequence involving an Engine start, Aircraft take-off, Flight and landing, and culminating in an Engine shutdown;
- 1.19 **"Engine Hour" or "Engine Operating Hours"** means the total accumulated operating time in hours accrued by an Engine as recorded in the engine log book in accordance with the applicable regulatory requirements;

THE DISCLOSURE OF THIS AGREEMENT IS SUBJECT TO THE RESTRICTIONS OF ARTICLE 16 CONTAINED HEREIN. March, 2005.

ESP

- 1.20 "Engine Module" means an Engine reduction gearbox or Engine turbo machine section, or a power section of a gas generator section, or an Accessory Gearbox;
- 1.21 "Exchange Engine" means a substitute Engine, Engine Module or gearbox supplied by P&WC to replace an Engine pursuant to a P&WC standard exchange agreement;
- 1.22 "Flight Cycle" or "Flight" means the period between an Aircraft take-off and landing; a flight count factor is a multiplying factor applied to the number of Engine Cycles and to the Abbreviated Cycles to reduce the life of a LLP as specified in the P&WC Maintenance Manual;
- 1.23 "FOD" means Foreign Object Damage, damage to any portion of the Aircraft Engine caused by impact or ingestion of birds, stones, hail, sand or other debris;
- 1.24 "Hourly Rate" means the dollars per Engine Operating Hour and per APR usage (PW305B) charged for the workscope provided in this Agreement, adjusted for the Mission Profile set out on the signature page and in Annex A;
- 1.25 "HSI" means Hot Section Inspection, the removal and inspection of an Engine's combustion and turbine section Components, and the repair or replacement of deteriorated Components in compliance with the applicable P&WC Engine Maintenance Manual;
- 1.26 "LLP" means a Life Limited Part listed in Annex F, which has a limit to the number of Engine Cycles or Engine Hours it can remain in service, as specified in the applicable P&WC Service Bulletin or Maintenance Manual;
- 1.27 "LRU" means Line Replaceable Unit, a Component which may normally be removed and replaced with the Engine installed in the Aircraft and as part of the normal flight line maintenance activities, as further described in Annex F;
- 1.28 "Mission Profile" means the set of parameters describing the type of Flight to be encountered by the Engine and upon which the Hourly Rate is based, as further described on the signature page and in Annex A;
- 1.29 "New Engine Discount Hourly Rate" means the discounted Hourly Rate applied, where the Operator's enrollment qualifies for such discount, for a specified period of time, as set out in the Specification on the Agreement signature page;
- 1.30 "Power Charge" means the product of the total Engine Operating Hours and, the number of CT Cycles (PW200 engines) or APR usages (PW305B engines) during a calendar month multiplied by the applicable Hourly Rate and, where applicable, CT Cycle Rate;
- 1.31 "Repairs" means the engine shop maintenance services necessary to return an Engine or Component to serviceable condition;
- 1.32 "RTO" means Rapid Take-Off, where a PW200 powered helicopter lifts off the ground within 90 seconds of an Engine start. For Engines not incorporating an electronic cycle counting device, the RTO factor is used as a multiplying factor that is applied to the number of RTO's, and the product is then added to Engine Cycles to reduce the life of the LLP as specified in the applicable P&WC Service Bulletin and Maintenance Manual;
- 1.33 "Scheduled Overhaul" means the overhaul of an Engine conducted when such Engine has approximately completed a planned length of time in operation since new or since the last Scheduled Overhaul, as recommended by P&WC to the Operator;
- 1.34 "Specification" means the information relating to Engines, minimum annual hours, workscope, etc., set out on the Agreement signature page;
- 1.35 "Support Rental Engine" or "Rental Engine" means an engine or gearbox provided to temporarily replace an Engine that requires removal for a workscope item covered under the terms of this Agreement;
- 1.36 "Total ESP Engine Cycles" means the sum of Engine Cycles as required to be calculated and recorded by the applicable P&WC Service Bulletin and Maintenance Manual, and for helicopter engines, as calculated by using the formula provided in Annex C, ESP® Monthly Report – Helicopters;
- 1.37 "WebECTM™" means the P&WC Web Engine Condition Trend Monitoring program further described in Annex D hereto;



THE DISCLOSURE OF THIS AGREEMENT IS SUBJECT TO THE RESTRICTIONS OF ARTICLE 16 CONTAINED HEREIN. March, 2005.

2. SCOPE OF SERVICES / ENGINE ELIGIBILITY

- 2.1 P&WC shall supply to the Operator, for Engines enrolled under this Agreement, coverage for the cost of the Engine maintenance services indicated on the signature page hereof and further described in Annex B attached hereto. For clarity, the scope of this Agreement is only to provide coverage for the cost of the specified Engine maintenance services, and in no way guarantees or provides any assurance for the timeliness or availability of the goods and services covered, or the consequences thereof.
- 2.2 Engines listed in Specification on the Agreement signature page are eligible under this Agreement provided that the following requirements are met:
- 2.2.1 P&WC's review, to its satisfaction, of prior Engine usage, maintenance and operating practices, including prior Engine operator profile(s);
- 2.2.2 pre-payment to P&WC of a mutually agreed sum, or agreement to a repayment schedule or Hourly Rate premium, compensating Engine usage to date as set out in the Specification on the signature page;
- 2.2.3 all prior Overhauls and Repairs have been performed by a facility recognized by P&WC, in accordance with P&WC's applicable Engine Maintenance Manuals, instructions and recommendations; and
- 2.2.4 receipt at P&WC of two ESP® Agreement signature pages, duly executed by the Operator.
- 2.3 The following engines are not eligible under this Agreement:
- 2.3.1 engines operated by military, paramilitary or other government agency without the prior knowledge and approval of P&WC; or 2.3.2 engines that have become part of any pool of engines, an arrangement by which a participant is entitled in exchange, withdraw and/or use engines held by another participant; or
- 2.3.3 agricultural (AG) engines or engines operated for agricultural purposes; or
- 2.3.4 engines operated for maritime low level flight.
- 2.4 **Warranties.** This Agreement is a supplement to the warranty and service policy applicable to the Operator's Engine(s). The Operator shall comply with the terms and conditions of any warranty or service policy applicable to the Operator's Engine, Engine Module or Component.
- 2.5 P&WC warrants that any repair or replacement of an Engine, Engine module or Engine Component covered under this Agreement shall not embody a Component that has been involved in an accident, has been stolen, or has a military Component identification.

3. EXCLUSIONS

- 3.1 The coverage provided hereunder by P&WC is limited to the workscope set forth in the Specification, and as specified in Annex B.
- 3.2 In particular, without limitation, and unless otherwise specified, the following are not covered by this Agreement:
- 3.2.1 other than by P&WC personnel, costs resulting from improper storage, usage, maintenance, removal, installation, or operation of an Engine, Engine Module or Engine Component, including improper usage of WebECTM™, or failure to adhere to P&WC's or the P&WC Designated Analysis Centre's (DAC) recommendations based on ECTM®. (Proper usage and maintenance are described in the P&WC Engine Maintenance Manual, P&WC Service Bulletins, applicable Aircraft Flight Manual and airworthiness regulations);
- 3.2.2 field level routine or periodic maintenance and inspections as specified in the Periodic Inspection Table of the Engine Maintenance Manual, including, without limitation, fuel, oil, filters, line replaceable "O" rings, packings, gaskets, fuel nozzle cleaning, or Engine washing for performance recovery, desalination, or removal of foreign chemicals particles;
- 3.2.3 FOD, external damage to the Engine, Engine Module or Engine Component, collisions or propeller strikes, immersion in water, hard landing of or dropped Engine, Engine Module or Engine Component, propeller electrical leads shorting, fire, lightning strike, theft, explosion, riot, war, rebellion, seizure or any other belligerent acts;

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- 3.2.4 Component Repair or replacement costs attributable to damage caused by corrosion, erosion or sulphidation;
- 3.2.5 use or inspection contrary to P&WC's current operating and maintenance instructions or recommendations, including early HSI without cause, or contrary to applicable airworthiness authorities, or beyond the operating parameters specified in the applicable Aircraft flight manual;
- 3.2.6 Repair or Component replacement directly attributable to the use of Components not originating from P&WC or from a P&WC authorized vendor, or the use of Repairs or repair schemes not approved by P&WC, including, but not limited to, the use of FAA-PMA parts;
- 3.2.7 Repair or replacement costs attributable to damage caused by an Engine mounted LRU or Accessory other than those supplied by P&WC as part of the Engine's build specification as listed in Annex F;
- 3.2.8 Repair or replacement costs attributable to, or insurance costs for, damage caused by loading, unloading, packaging or any aspect of transporting the Engine, Engine Module, Engine Component, or Support Rental Engine other than by P&WC employees or P&WC transportation equipment;
- 3.2.9 LLP or Component replacement, HSI, Overhaul or any Engine maintenance required due to inadequate, incomplete or loss of records of Engine Hours, Engine Cycles, CT Cycles, Flight Cycles or Engine logbook including LLP life item sheet, other than such actions for which P&WC personnel are directly responsible;
- 3.2.10 overtime premiums, call out charges or labour hours in excess of the allowances specified in Annex B, Appendix 1, unless specifically approved by P&WC;
- 3.2.11 at Operator's request, use of new Components when exchange Components are available or Repair of Component is feasible;
- 3.2.12 tooling fees, hangar fees or any related airport fees, taxes or duties or any other similar fees, levies or charges;
- 3.2.13 living or transportation expenses for crew, passengers or maintenance personnel unless specified as covered by P&WC;
- 3.2.14 expenses related to flying the Aircraft or Engine(s) other than Engine maintenance coverage as set forth in the Specification on the Agreement signature page, and as specified in Annex B;
- 3.2.15 expenses related to the Operator's failure to comply with P&WC Campaign Changes or Special Program Notification (SPN) within the deadline specified in the P&WC Service Bulletin (SB) or Service Information Letter (SIL);
- 3.2.16 use, Repair, or replacement of stolen Engines, Engine Modules or Engine Components, including any Repair and/or Overhaul of such stolen Engines, Engine Modules or Engine Components and/or any resultant damage caused thereby;
- 3.2.17 use, Repair, or replacement of Engines, Engine Modules or Engine Components, which have been involved in an accident where the subject Engines, Engine Modules or Engine Component's failure is attributable to that accident;
- 3.2.18 use, Repair, or replacement of military Engines, Engine Modules or Engine Components used in military or para-military operations;
- 3.2.19 alteration, modification or tampering of any Engine, Engine module or Engine Component after delivery by P&WC, which is either illegal or not specifically authorized by P&WC;
- 3.2.20 Repair or alteration other than by a Designated Facility;
- 3.2.21 use, Repair, or replacement of Engines, Engine Modules or Engine Components from which P&WC's name, part number, identification mark or serial number has been removed or defaced;
- 3.2.22 Rental Engine support for HSI requiring less than 10 days to perform, or for any of the aforementioned exclusions;
- 3.2.23 any and all costs related to or arising from the Operator's failure to comply with the terms and conditions of this Agreement;
- 3.2.24 at Operator's request, Component or Engine removal not supported by P&WC, and where no fault covered under this Agreement is found by P&WC, all costs associated with such removal, including but not limited to, tests, trouble shooting, disassembly, inspection, recertification, repair or replacement of Engine Component, reassembly, rental engine, packaging and freight.

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- 3.2.25 replacement of Engine Components missing from an Engine when received at a Designated Facility for Overhaul or Repair;
- 3.2.26 any other expenses not listed as "provided" or "included" in the Specification.

4. PAYMENT

- 4.1 Each month the Operator shall pay to P&WC the Power Charge for each Engine or Support Rental Engine. The Operator shall report the total Aircraft and Engine Operating Hours since new, Engine Cycles, Flight Cycles, and APR usage (PW305B), CT Cycles and RTO usage (PW206 series), or ASP usage (PT6B-36 series), for each Engine and Support Rental Engine at the end of each month (even when zero hours are flown) by completing and telefaxing or e-mailing the ESP® Monthly Report / Power Charge Invoice form as set out in Annex C attached hereto.

The ESP® Monthly Report / Power Charge Invoice shall be declared and provided, by the Operator, to P&WC within 10 days after the end of each month.

The Monthly Report / Power Charge Invoice document will serve as the Operator's self-generated invoice.

Payment of the Power Charge Invoice shall be received within 15 days after the end of each respective month. Payment must be made in U.S. Dollars, and must be paid either by (i) a cheque collectable directly from a U.S. bank, (ii) by a bank-to-bank wire transfer, as per the instructions found on the ESP® Monthly Report / Power Charge Invoice, or (iii) instructed by P&WC to the Operator from time-to-time.

In the event that the Operator fails to report the aforementioned data as required, P&WC may submit an invoice to the Operator based on estimated usage. Payment of the invoice must be received by P&WC within 15 days after the date of the invoice.

- 4.2 Where the actual Engine Hours accumulated in a Contract Year is less than the minimum annual hours per Engine stated in the Specification, the Operator agrees to pay an amount equal to the difference between the minimum annual hours per Engine and the actual Engine Hours multiplied by the Hourly Rate. This requirement is waived for the year of this Agreement's execution or termination.

- 4.3 The Hourly Rate or CT Cycle Rate and New Engine Discount Hourly Rate shall be subject to annual escalation, to be applied on the 1st of January of each year to reflect adjustments in labour rates and published P&WC Engine parts price lists. In no event shall the aforesaid adjustments cause the then applicable Hourly Rate or CT Cycle Rate or New Engine Discount Hourly Rate to decrease. The adjusted Hourly Rate shall not exceed the similar published rate offered to customers with a similar plan, similar Engine model and similar Mission Profile for that year.

P&WC shall advise the Operator of the new Hourly Rate(s) in January of each year, and the Operator shall be responsible to change the applicable Hourly Rate(s), and if applicable, the CT Cycle Rate, used in the Operator's Monthly Report / Power Charge Invoice for the month of January and thereafter.

- 4.4 An interest and penalty charge equivalent to an annual rate of 18% will be charged monthly on all past due amounts. Payments due shall be considered past due when received later than the aforementioned 15th day of the month.
- 4.5 The Operator shall pay all charges invoiced by P&WC for work outside of, or excluded from, the Workslope of this Agreement.
- 4.6 Where required by P&WC, or at the Operator's request, the Operator may be placed on a fixed rate monthly payment system, based on an annual projection of Flight hours, with a periodic reconciliation between actual amounts due and paid.
- 4.7 Should the Operator require the performance of a Scheduled Overhaul, HSI or refurbishment of an Engine more than 50 hours prior to its scheduled time, as specified in the applicable P&WC Service Bulletin or Maintenance Manual, the Operator shall pay to P&WC an additional fee to compensate for the hours difference between the P&WC scheduled event Engine Hours and the actual event Engine Hours, multiplied by the applicable Hourly Rate.
- 4.8 All payments shall be considered interim pending audit of the Operator's log books by P&WC.
- 4.9 Failure of the Operator to submit the ESP® Monthly Report / Power Charge Invoice or required payments in a timely fashion, as specified in Article 4.1, will result in a notice from P&WC to the Operator of suspension of ESP® workslope coverage. Such suspension will remain in place until the required report(s) and payment(s) due are submitted to P&WC.

- 4.10 If P&WC does not receive the required report(s) or payment(s) within 15 days following receipt of notice of suspension, by the Operator, P&WC will notify the Operator that they are in breach of this Agreement, and subject to imminent termination and complete loss of benefits or any reserves attributable to this Agreement.
- 4.11 If P&WC does not receive the required report(s) and payment(s) within 15 days following receipt by the Operator of notice of breach, P&WC shall terminate this Agreement, as specified under Article 12, Termination.

5. PARTIES RESPONSIBILITIES

- 5.1 **Work Authorization (WA).** For the performance of any work under this Agreement, the Operator shall, first, contact ESP® at P&WC; Tel: +1 (450) 468-3771, Fax: +1 (450) 468-3772, or the 24-hour P&WC Customer Help Desk at Tel: +1 (450) 647-8000 or by Fax: +1 (450) 647-2888, or the local P&WC Field Service Representative (FSR) to obtain a work authorization number. Any work undertaken prior to obtaining an ESP® work authorization number from P&WC shall be accomplished at the Operator's expense.
- 5.2 P&WC shall:
- a) issue a work authorization number;
 - b) define the work to be performed; and
 - c) identify the Designated Facility where such work shall be performed.
- 5.3 **Web Engine Condition Trend Monitoring.** The Operator shall utilize P&WC's WebECTM™ program, as set out in Annex D, or as instructed by P&WC to the Operator from time-to-time. The Operator shall deliver the recorded Engine data to the P&WC Designated Analysis Centre at least monthly, or more often if required. Failure of the Operator to submit duly and accurately recorded ECTM® data in a timely fashion, as specified above, will result in a notice from P&WC to the Operator of suspension of ESP® workscope coverage. Such suspension shall remain in place until the required data is submitted to P&WC's Designated Analysis Centre.
- Continued failure of the Operator to submit recorded ECTM® data in a timely fashion shall be deemed a breach of this Agreement, and P&WC shall terminate this Agreement as specified under Article 12, Termination, resulting in complete loss of benefits or any revenues attributable to this Agreement.
- 5.4 **Advanced work requests.** The Operator shall notify P&WC at least 90 days before a Scheduled Overhaul and at least 45 days before a scheduled HSI becomes due on any Engine.
- 5.5 **Unscheduled Repairs.** When the Operator believes an Engine, Accessory, Component, or LRU, requires unscheduled Repair or removal, the Operator shall perform the standard on-wing P&WC Maintenance Manual level troubleshooting, and must immediately contact P&WC, who may request Operator to carry out additional troubleshooting. Should this additional troubleshooting prove unsuccessful, or upon other verification of a need for Engine, Component, or LRU removal, P&WC will authorize, without delay, removal and shipment to a Designated Facility for Repair.
- 5.6 **Damages or theft.** The Operator shall promptly notify P&WC of all instances of known or suspected damages to, or theft of, an Engine.
- 5.7 **Engine removals.** The Operator shall notify P&WC of all removals of an Engine within three days following the Engine removal.
- 5.8 **Access for P&WC personnel.** The Operator shall allow P&WC's authorized personnel reasonable access to the Engine(s) and removed Component(s) covered by this Agreement, as well as the relevant operating and maintenance records maintained by the Operator including the Engine log book.
- 5.9 **Log books.** The Operator shall enter in the Engine log book all Engine Operating Hours, Cycles, Flights, APR usage (PW305B), ASP usage (PT6B-36), RTO usage (PW200), One Engine Inoperative (OEI) usage (Helicopters), and maintenance and operational events required to be recorded for the purpose of this Agreement and by regulatory authorities. Whenever an Engine must be returned to a Designated Facility, the Operator shall ensure that the complete and current Engine log books, including the LLP life item sheet, are returned with the Engine.

Throughout the period of this Agreement, the Operator shall provide to P&WC when requested, copies of the Aircraft and Engine log books. Failure to comply with these requirements will have significant ESP® coverage implications, as specified under Article 3, EXCLUSIONS.

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- 5.10 **Engine operation and maintenance.** The Operator shall operate and maintain the Engine(s) and Components in accordance with the Aircraft flight manual, Pilot's Operating Handbook, the applicable Engine Maintenance Manual, recommended Service Bulletins, Service Information Letters, Commercial Support Program Notifications, and any other instructions and recommendations issued by P&WC or the Aircraft manufacturer, and comply with the requirements of Airworthiness Directives issued by regulatory authorities. Failure to comply with these requirements will have significant ESP® coverage implications, as specified under Article 3, EXCLUSIONS.
- 5.11 **Operating environment.** The Operator warrants to P&WC that the Engine(s) specified in this Agreement have not and shall not be operated in military, maritime low level flight, agricultural spraying, or other unusual service or environments for which the Aircraft has not been designed to perform by the original airframe manufacturer.
- 5.12 **Leased Engines.** If the Operator is not the registered owner of the Engine(s) or Aircraft, the Operator shall supply to P&WC, prior to execution of this Agreement, a consent from the owner in a form substantially similar to that of Annex H.
- 5.13 **ESP® Identification Card.** P&WC shall issue an ESP® identification card to employees or designated agents of the Operator, upon submission of P&WC's ESP® Identification card request form. The ESP® Identification card shall:
- a) be presented to the Designated Facility prior to obtaining service on the Engine(s);
 - b) be issued to the Operator for use subject to the terms and conditions of this Agreement;
 - c) be for the exclusive use of the Operator or its designated agents for the Engine(s);
 - d) not be transferred without written consent of P&WC;
 - e) remain the property of P&WC, and shall be returned on demand by P&WC.
- 5.14 The Operator is responsible for the use of any card issued under this Agreement, and for the return of any card issued to former designated employees or agents. Loss or theft of any card must be reported immediately to P&WC.
- Fraudulent use of the card may result in immediate termination of this Agreement.
- 5.15 **Insurance.** For all shipments under this Agreement, the Operator shall be responsible for providing insurance while property, including a Support Rental Engine, is in transit.
- 5.16 **Purchase Order.** Upon removal of engine(s) for induction to a Designated Facility for HSI, Repair or Overhaul, the Operator shall be responsible to provide such facility with a written purchase order (including purchase order number) to cover any Components or services required which are not covered under this Agreement.

6. COMPONENT REPLACEMENT

- 6.1 Upon embodiment of new or exchange Component(s) covered by this Agreement into an Engine, the parties agree that the newly embodied Component shall become the property of the Operator, and the removed Component shall become the property of P&WC.
- 6.2 For an exchanged LRU, the Operator shall ensure that the removed LRU is adequately packaged, insured and returned to the P&WC facility that supplied the exchange LRU within three days of LRU removal.
- In addition, for an LRU eligible for replacement under the Operator's benefits of P&WC's Warranty, Commercial Support Program Notifications (CSPN), or Special Program Allowances (SPA), the Operator must complete and return P&WC's Warranty Request for Service Allowance (RSA) form, or any other P&WC form specified by P&WC, along with the removed LRU, and ship to the P&WC facility that supplied the replacement LRU within three days of receipt.
- Upon P&WC's request, the Operator shall be responsible to provide P&WC, or its Parts Distribution Centre (PDC), with written proof of shipment (waybill number and carrier), and with written and signed proof of receipt by P&WC, or its PDC, of the removed LRU. In the event that the Operator is unable to provide such proof of receipt of the removed LRU by P&WC, or its PDC, within 10 days following receipt of the replacement LRU, P&WC, or its PDC, shall invoice, and the Operator shall be responsible for payment of, the value of an equivalent new LRU, due next 30 days from receipt of such invoice.
- 6.3 Upon P&WC's request, the Operator shall be responsible to provide P&WC, or its PDC, with a written purchase order for any new or exchange LRU provided under this Agreement. Such purchase order shall result in an invoice from P&WC, or its PDC, and such invoice shall be credited by P&WC upon completion of the requirements stated in Article 6.2, where such replacement is covered under P&WC's warranty or this Agreement.

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7. TRANSPORT TO A DESIGNATED FACILITY

- 7.1 Where freight coverage is included by this Agreement, the Operator shall request from P&WC shipping instructions and/or delivery details for each Engine or Component thereof to be shipped to the Designated Facility, including carrier, priority, date, and waybill number.
- 7.2 Export controls. All shipments under this Agreement are subject to applicable export controls. Upon request from the Operator, P&WC will apply for necessary export permits or approvals; however P&WC will not be responsible for their issuance or renewal, or for any costs or expenses incurred in connection therewith.

8. TAXES / DUTIES / OTHER CHARGES

- 8.1 The Operator is responsible for all taxes (excluding taxes based on P&WC net income), duties and other charges of any nature, including interest and penalties thereon, arising from the sale, delivery or use of the goods or from the provision of services under this Agreement, and will reimburse P&WC for any such charges P&WC may be required to pay directly to a governmental authority or to a P&WC Designated Facility which performs any of the services covered under this Agreement.

9. DELAYS

- 9.1 P&WC shall not be responsible for any failure or delay in performance resulting from causes beyond P&WC's reasonable control. These may include but are not limited to events such as acts of government, court order, civil unrest, sabotage, adverse weather conditions, labour troubles and shortage of materials or services. P&WC will give timely notice to the Operator of any such event and will endeavor to avoid or remove the cause and resume performance with minimum delay. The time for delivery or performance will be extended accordingly.

10. EXCLUSIVE REMEDIES AND LIMITATION OF LIABILITY

- 10.1 THE GOODS AND SERVICES PROVIDED BY P&WC UNDER THIS AGREEMENT ARE ACCEPTED BY THE OPERATOR IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED OR ANY OBLIGATION OR LIABILITY OF P&WC IN CONTRACT OR TORT. THE OPERATOR'S REMEDIES ARE LIMITED TO THOSE SET OUT IN THIS AGREEMENT TO THE EXCLUSION OF ANY AND ALL OTHER REMEDIES INCLUDING WITHOUT LIMITATION INCIDENTAL OR CONSEQUENTIAL DAMAGES.

11. PATENT INFRINGEMENT

- 11.1 P&WC will be responsible for the defense of any claim alleging infringement of a Canadian or United States patent by sale or use of new parts supplied under this Agreement without further combination provided the Operator gives P&WC prompt written notice of such claim and full authority to defend it. P&WC's responsibility includes all expenses of defense and payment of costs and damages for patent infringement awarded by the court or agreed to by P&WC. If use or sale of the goods is finally prohibited, P&WC will, at its option (i) procure the right for sale or use, (ii) modify or replace the goods to avoid infringement or (iii) take back the goods and refund the price (less a reasonable allowance for use or damage).

12. TERMINATION

- 12.1 In the event that either party is in default in respect to any provision of this Agreement and remains in default for a period of 30 days after receipt of notice thereof from the other, such other party may, without prejudice to any rights and remedies otherwise provided by law, terminate this Agreement by notice at any time thereafter.

Should the Operator:

- i) be in default under any other agreement it has entered into with P&WC, its affiliates or subsidiaries, such default shall constitute a default under this Agreement; and
- ii) be in default under this Agreement, such default shall constitute a default under any other agreement that the Operator may have entered into with P&WC, its affiliates or subsidiaries.

Should the Operator be indebted to P&WC or any of its affiliates or subsidiaries (collectively the "P&WC Group") upon the occurrence or by reason of a default under this Agreement or any other agreement as a result of application of the cross-default

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provision contemplated hereinabove (the "Operator's Debt") and that the Operator does not, for any reason whatsoever, pay the Operator's Debt at the earliest of (i) the prescribed delay(s) to effect such payment or (ii) 30 days from the date of such default, P&WC shall have the right to apply any sums that the P&WC Group may have received from the Operator, whether under the terms of this Agreement or any other agreement(s) executed with the Operator, as a reduction to the Operator's Debt, without further notice or delay to the Operator.

- 12.2 Either party may terminate this Agreement at any time by written notice to the other if such other party becomes insolvent or performs or permits any act of bankruptcy, liquidation, reorganization or if a receiver, trustee, or custodian is appointed of the other party or a substantial part of the other party's property.
- 12.3 In the event that an Engine is damaged by accident and deemed beyond economical repair, or is deemed not recoverable due to theft or loss, performance of all obligations of the parties under this Agreement for the Engine shall be completed up to the date of such event. A reconciliation of all Power Charges paid by the Operator (+) less the aggregate retail price of the benefits received (-) since last overhaul, or since new in the case of an Engine never inducted for overhaul, up to such date shall be performed by P&WC. When a positive balance exists, 85% shall be held in reserve by P&WC for the Operator's benefit as a non-reimbursable credit toward any future or current engine(s) enrolled by the Operator in ESP®, or toward any future engine shop maintenance performed for the Operator by a service centre owned or controlled, in whole or in part, by P&WC, or towards procurement of Components from P&WC's PDC. P&WC shall retain 15% of a positive balance for administration and risk coverage provided. This Agreement for such Engine(s) shall then be terminated, and neither party shall incur any further obligations or liabilities beyond such date. The benefits under this Agreement are, in such event, non-transferable.
- 12.4 Other than as expressly provided in Article 12.3 or when Annex 1, Reimbursement Policy For First Enrolled Operator, is applicable to the Agreement, no reimbursement or credit of the Power Charges paid shall be provided to the Operator under the terms of this Agreement.
- 12.5 In the event that the Operator is not the Owner of the Engine(s), or there is an Aircraft Interest Holder, in the form set out as Annex H, the Operator shall obtain and provide to P&WC written authorization from the owner, or the Aircraft Interest Holder, to obtain any credit or reimbursement provided under the terms of this Agreement.
- 12.6 At the written request of the Operator and upon written acceptance by P&WC, at P&WC's sole discretion, this Agreement may be terminated prior to the expiry date set forth in the Specification, subject to the following conditions:
- a) Operator shall pay all Power Charges due for hours flown up to the date of P&WC's acceptance of such termination request; and
 - b) P&WC shall perform a reconciliation of all Power Charges paid, including (a) above, that have been paid by all operators (+) less the aggregate retail price of the Engine maintenance services received (-) since new. Where a negative balance results from such reconciliation, the Operator shall pay P&WC for the deficit amount to bring the balance to zero.

13. DURATION AND RENEWAL

- 13.1 Subject to the provisions of Article 12 and Article 15.1, this Agreement shall remain in force until the expiry date set forth in the Specification.
- 13.2 This Agreement may be renewed upon such terms as may be mutually agreed as follows:
- a) 60 days prior to expiration, Operator sends written notice to P&WC of desire and intent to renew this Agreement; and
 - b) 30 days prior to the expiration, P&WC shall provide the operator with a new ESP® Agreement including modifications required for renewal, and any step change in the Hourly Rate; and
 - c) prior to the expiration of this Agreement, the Operator shall notify P&WC of Operator's intent to renew this Agreement, and sign and return the new executed agreement to P&WC.

14. NOTICES

- 14.1 All notices required to be given pursuant to this Agreement shall be in writing and shall be considered as duly delivered when sent by registered mail or telecopier to the other party at the address stated on the signature page of this Agreement or such other address as either party shall advise the other in writing.

15. TRANSFER OF BENEFITS

- 15.1 Upon written request from the Operator and subject to the terms and conditions set out in Annex G, P&WC will agree to terminate this Agreement, and transfer the benefits accrued hereunder to a new operator, provided such request is received and the terms and conditions set out in Annex G are met within 12 weeks from the date of transfer of the Aircraft to the new operator. In the event that the Engine(s) are transferred to a third party, by sale or otherwise, performance of all obligations of the Parties under this Agreement including the Operator's obligation to declare Engine Hours and Engine or CT Cycles flown and make payment due to P&WC, and P&WC's obligation to cover engine maintenance services up to the date of such event, shall be completed, and all such obligations shall cease thereafter. Where Annex I forms part of this Agreement, in accordance therewith, the benefits of this Agreement may not be transferable.

16. NON-DISCLOSURE

- 16.1 Neither party shall disclose without the prior written approval of the other party, any information regarding terms and conditions of this Agreement to any third party, nor advertise or release any publicity concerning this Agreement. The provisions of this Article shall survive termination of this Agreement.
- 16.2 P&WC reserves the right to disclose the terms and conditions of this Agreement to any of its affiliates on a "need-to-know" basis.

17. GENERAL TERMS

- 17.1 The Operator may not assign this Agreement, in whole or in part, without the written consent of P&WC.
- 17.2 This Agreement constitutes the sole Agreement between the parties with regard to the subject matter hereof and supersedes all other contracts, agreements or understandings including, without limitation, the Operator's purchase orders or P&WC's acknowledgement thereof.
- 17.3 This Agreement shall be governed and interpreted in accordance with the laws of the Province of Ontario, and the laws of Canada applicable therein.
- 17.4 No modifications of this Agreement shall be binding unless agreed to by a written instrument executed by duly authorized representatives of both parties.
- 17.5 Recourses are cumulative and not alternative. Singular includes the plural. Headings are for purposes of convenience only. The nullity of any part of this Agreement shall not affect the validity of the remainder.
- 17.6 Any concession, latitude or waiver allowed by either party to the other at any time shall not prevent such party from subsequently enforcing its rights and shall not be deemed a waiver of any subsequent breach.
- 17.7 The parties have requested this Agreement and all documents connected therewith to be drawn in the English language.

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THE DISCLOSURE OF THIS AGREEMENT IS SUBJECT TO THE RESTRICTIONS OF ARTICLE 16 CONTAINED HEREIN. March 2005.

Pratt & Whitney Canada Corp.
Attention: ESP® Program Office – Fleet Services
1000 Marie-Victorin Blvd (QSDK1)
Longueuil, Quebec J4G 1A1, Canada

Tel. USA and Canada: 1-888-4-PWC ESP (1-888-479-2377)
Tel. International: (450) 468-3771 or (450) 647-8000
Telecopier: (450) 468-3772 or (450) 647-2888
Email: esp@pwc.ca
Website: www.pwc.ca

EAGLE SERVICE PLAN ESP® Gold/Silver (/Lite)Plan
AGREEMENT #.:SAMPLE **Date: XXXXXXXX**

BETWEEN: PRATT & WHITNEY CANADA Corp. and:
 1000 Marie Victorin
 Longueuil, Québec
 Canada J4G 1A1
 (hereinafter called "P&WC")

Sample

(hereinafter called the "Operator")

WHEREAS the Operator wishes to procure and P&WC is willing to supply overhaul and Repair services in support of the Operator's P&WC Engines;

THIS AGREEMENT WITNESSETH and the parties hereby agree as follows:

P&WC shall supply and the Operator shall purchase and pay for the goods and services specified below, in accordance with the Scope, Terms and Conditions set out in Attachment 1 and Annexes A through H/I hereto which are expressly incorporated in and shall form part of this Agreement.

SIGNED in duplicate by the duly authorized representatives of each party:

PRATT & WHITNEY CANADA CORP.

OPERATOR

Signature: _____ Date: _____

Name: _____

Title: _____

SPECIFICATION

Engine Model	Engine or Gearbox Serial Numbers	Engine Operating Hours Since New	Engine Total Cycles Since New	Enrollment Pre-Payment U.S. \$	Current Year Hourly Rate U.S. \$	2001 New Engine Discount Hourly Rate U.S. \$ (0) If applicable
«engine_md1»	CCXXXX	Sample	Sample	Sample	\$	\$
«engine_md1»	CCXXXX	Sample	Sample	Sample	\$	\$

Aircraft Model and Serial No: TBA

- A) MINIMUM ANNUAL HOURS PER ENGINE: 150 hours per Engine
 B) HOURLY RATE VALIDITY CRITERIA: Total ESP® Engine cycles per hour: 0.1 to 1.0 cycles per hour
 C) EXPIRY DATE: TBA
 D) NEW ENGINE DISCOUNT PERIOD: Rate valid up to 2000 hours total airframe time since new.
 E) WORKSCOPE PROVIDED: 1) Scheduled Overhaul, excluding Life Limited Parts
 2) Hot Section Inspection (HSI), excluding Life Limited Parts
 3) BUER Repair
 4) Unscheduled Line Replaceable Units (LRU) Repair
 5) Rental engine support

Additional Coverage: 6) Life limited parts specified in Annex B and Annex F: **Included/ Excluded**
 7) Engine or LRU removal, installation, or access labor and Freight: **Included/ Excluded**

F) Unless executed by both parties within 30 days from the date first shown above, this Agreement shall be rendered null and void.

"P&WC CONTROLLED" (Rev. September 26, 2001)

ESP® PROGRAM – EAGLE SERVICE PLAN™

P&WC 8293 (2005-03)

Date (M/D/Y): _____

- ☐ Enrolment Application
☐ Rate Request / Enrolment Cost Estimate
☐ Transfer of Plan No. _____

Please indicate type of plan: ☐ **Gold** ☐ **Gold Lite**
☐ **Silver** ☐ **Silver Lite**

Mail or Fax a copy of engines and aircraft logbooks along with a confirmation of the aircraft retail sales date and total hours since new, e.g. aircraft sales agreement to:

Pratt & Whitney Canada Corp.

Attn: ESP® Program Office – Fleet Services

1000 Marie-Victorin (05DK1)

Longueuil, Quebec J4G 1A1, Canada

Fax: +1 (450) 468-3772 or +1 (450) 468-7807

Tel: +1 (450) 468-3331 or +1 (450) 468-3771

USA & Canada toll free No.: 1-888-4 PWC ESP

Email: esp@pwc.ca

Operator / Customer

Name:
Line 2:
Street Address:
City / District: /
State / Province:
Postal / Zip Code:
Country:
Principal Contact:
Title:
Phone / Fax: /
Email Address:

☐ **Contractees Agent** ☐ **Dealer** ☐ **FBO**

Name:
Line 2:
Street Address:
City / District: /
State / Province:
Postal / Zip Code:
Country:
Principal Contact:
Title:
Phone / Fax: /
Email Address:

Send ESP® Agreement / Cost Estimate to: ☐ **Customer / Contractee** ☐ **Contractees Agent** ☐ **Dealer** ☐ **FBO**

Aircraft Data

Manufacturer:	Model:	Serial Number:	Reg. Number:
Current Total Time Since New:		Total Time Since New at	Hours:
Registered Owner:		Retail Sale or Transfer of Aircraft	Date (M/D/Y):

Engine Data

Engine Model:	Left	Right	Gearbox or 3 rd Engine
Serial Number:	PCE -	PCE-	CPGB-
Time between overhaul	Hours	Hours	Hours
Current Total Time	Since New:	Since New:	Since New:
	Since Overhaul:	Since Overhaul:	Since Overhaul:
Current Total Cycles (CT cycles for PW200 models)	Since New:	Since New:	Since New:
	Since Overhaul:	Since Overhaul:	Since Overhaul:
Total Time at Retail Sale or Transfer of Aircraft	Since New:	Since New:	Since New:
	Since Overhaul:	Since Overhaul:	Since Overhaul:
Total Cycles at Retail Sale or Transfer of Aircraft	Since New:	Since New:	Since New:
	Since Overhaul:	Since Overhaul:	Since Overhaul:

Previous Maintenance

Last HSI Date:	Hours Since New:	Hours Since New:	Hours Since New:
Last Overhaul Date:	Hours Since New:	Hours Since New:	Hours Since New:

Please Specify Your Projection of the Following

Annual Utilization:	hours per year	Average Flight Length:
---------------------	----------------	------------------------

NOTE: For engines already in service, please submit all lists of P&WC Service Bulletins incorporated. If engine has already been overhauled, we require a copy of the latest engine Life Item Sheet.

Mandatory for U.S. customer only:	<input type="checkbox"/> Federal I.D. Number:	<input type="checkbox"/> Employer I.D. Number:
<i>Please provide as appropriate</i>	<input type="checkbox"/> IRS Number:	<input type="checkbox"/> Social Security Number:

Note: This application is for information purposes only and does not generate contractual obligation from any of the parties.
(When enrolling, please allow 3-4 weeks for processing.)

P&WC ID

ANNEX A: MISSION PROFILE

1. The Hourly or Cycle Rate is based on the workscope provided and on the Mission Profile declared herein by the Operator. Any modifications to the Mission Profile may result, at P&WC's option, in an adjustment to the Hourly Rate.
2. The Mission Profile under this Agreement is for Engines used and operated:
 - a) In the airframe configuration as produced by the original airframe equipment manufacturer;
 - b) in normal corporate, executive, or emergency medical service profiles;
 - c) within the limitations specified in the Aircraft flight manual in effect on the date of execution of this Agreement; and
 - d) within the Hourly or Cycle Rate validity criteria as set out on the Agreement signature page.
3. Where on the basis of a 6 months rolling average, the limits of the Hourly Rate validity criteria are exceeded, P&WC may adjust the Hourly Rate.
4. Excluded from this Mission Profile are all Engines used in commercially scheduled airline operations, training schools, acrobatics, crop dusting or spraying, military or special mission operations or purposes, or which have been altered using modifications other than those approved by P&WC or the airframe manufacturer.

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
"P&WC CONTROLLED" (Rev. September, 2001)

ANNEX B: WORKSCOPE

COVERAGE

1. The goods and services included in the Workscope shall be provided and the costs thereof shall be absorbed by P&WC for the Engines in accordance with this Annex and the table in Appendix 1 to this Annex.

GENERAL

2. Prior to commencing services performed and covered under this Agreement, the Operator or their flight line service centre (FBO) is required to obtain an ESP® Work Authorization (WA) number from P&WC. All work covered by this Agreement shall be performed by a facility equipped and qualified to perform Overhaul, Repair or inspection of the Engine, and as designated by P&WC. The Operator, or the Operator's flight line service centre (eg. FBO), performing line maintenance work on the Engine must have an aircraft engine mechanic licensed by their local airworthiness regulatory authority, and trained and certificated by the P&WC Customer Training Center, or a training school acceptable to P&WC, within the past 10 years.
3. Life limited parts LLP.
 - (1) When included in the Agreement Specification "WORKSCOPE PROVIDED", replacement of LLPs listed in Annex F shall be done at overhaul, or HSI if the LLP is replaceable at HSI, only for those LLPs not having sufficient life to meet next Scheduled Overhaul or HSI.
 - (2) When excluded from coverage, the Operator shall be responsible for replacing LLPs not having sufficient life to meet the next Scheduled Overhaul, or HSI if the LLP is replaceable at HSI. Should the replacement of a LLP due to life cycle limit cause an Engine to require an HSI, overhaul, or refurbishment to be performed prematurely, that is prior to the scheduled time interval as specified in the applicable P&WC Maintenance Manuals, the Operator shall be responsible to pay a fee, as specified in Attachment 1, article 4, Payment, for the hours difference between the scheduled event time and the premature event time.
4. BUER Repairs.

Refer to Article 5.5 of Attachment 1, Scope, Terms and Conditions for BUER trouble-shooting requirements. In case of unscheduled Repairs, P&WC shall determine whether the Engine requires Overhaul or Repair and the extent thereof. Upon commencement of trouble-shooting, Operator shall contact P&WC to obtain technical consultation, advise P&WC of flight line service facility (FBO) availability at Aircraft location, and to request required ESP® Work Authorization (WA) number. Removal of an Engine without P&WC's prior issuance of ESP® Work Authorization shall not be covered by this Agreement.

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
"P&WC CONTROLLED" (Rev. April 2003)

Annex B Workscope (continued)**5. LRU.**

- (1) (1) Refer to Article 5.5 and 6.1 to 6.3 of Attachment 1, Scope, Terms and Conditions for LRU trouble-shooting, replacement and logistics requirements. Upon commencement of trouble-shooting, Operator shall contact P&WC to obtain technical consultation, advise P&WC of selected flight line service facility and to request required ESP® Work Authorization (WA) number. Replacement of LRU's without P&WC's prior issuance of ESP® Work Authorization shall not be covered by this Agreement.
- (2) (2) Unscheduled replacement of LRU's, as a consequence of confirmed failure or unserviceability due to a Component or Engine induced malfunction, is covered by either Repair or exchange at no cost for a serviceable unit. With P&WC's approval, an unserviceable LRU may be replaced with a new part, at no additional cost to the Operator, when Repair is not feasible or exchange part is not available. Should P&WC elect to provide an exchange part, and the Operator prefers a new part, the Operator shall then be responsible to pay for the difference between the new part price and the exchange part price. When the Operator has been provided an exchange LRU, the Operator shall ensure that the removed LRU is adequately packaged, insured and delivered to the P&WC parts distributor which supplied the exchange part within 3 days of the receipt of the replacement LRU.
- (3) (3) When an LRU is replaced from the Operator's or Operator's flight line service centre's (FBO) inventory, P&WC will replenish the stock item within 30 days of receipt of the unserviceable unit.

6. Rental engine support.

- (1) (1) Whenever an Engine requires removal for Scheduled Overhaul or BUER Repair for a period of 10 or more days, P&WC shall arrange for, subject to availability, a Support Rental Engine subject to execution by Operator of an appropriate Rental Engine agreement.
- (2) (2) Operator shall continue to pay the Operator's current applicable ESP® Hourly Rate (PW200, also C.T. Cycle Rate) for the Rental Engine Hours flown. Support Rental Engines shall be covered by P&WC only for the period of removal required for the Overhaul or BUER Repair of the Engine. Upon receipt of the Rental Engine at the Operator's facility, the Operator's Engine shall be removed and shipped to the facility designated by P&WC within 5 days of receipt of the Rental Engine. ESP® Rental Engine coverage shall cease 7 days after receipt by the Operator of the Operator's serviceable Engine from P&WC, and the Operator shall then become responsible for the lessor's then current Rental Engine rates, per diem charges and any late return charges. Failure to return the Engine or Rental Engine within the aforementioned delays will result in suspension of ESP® coverage.

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
"P&WC CONTROLLED" (Rev. April 2003)

Annex B Workscope (continued)

7. Overhaul
Operator must fly the Aircraft to a flight line service facility (eg. FBO) that is equipped with, or can obtain through rental, all required Engine removal and reinstallation tooling, and that has qualified licensed aircraft engine mechanics to remove and reinstall Engine. Operator shall contact P&WC ESP® program office 90 days prior to Scheduled Overhaul to advise P&WC of selected line maintenance facility and to request required ESP® Work Authorization number and make reservation for Rental Engine(s).
8. HSI
- (1) Operator must fly the Aircraft to a flight line service facility (eg. FBO) that is equipped with, or can obtain through rental, all required HSI tooling, and that has qualified licensed aircraft engine mechanics. Operator shall contact P&WC ESP® program office 45 days prior to scheduled HSI to advise P&WC of selected facility and to obtain required ESP® Work Authorization number.
 - (2) Where Operator has licensed aircraft engine mechanics in their employ, that have been HSI trained and certificated by P&WC Training Centre, and all required HSI tooling, with P&WC ESP® program office's prior approval, P&WC may designate the Operator's facility for performance of HSI. In such case, and where covered by this Agreement, P&WC shall credit the Operator for a fixed labour allowance established by P&WC. P&WC shall supply Operator with required replacements components.
 - (3) HSI performed at the Operator's facility by Operator's mechanics must be confirmed by a P&WC representative.
9. Service Bulletins. Service Bulletins of compliance category 1 through 6 shall be covered, as set out in Annex E, and when defined as required by P&WC.
10. Engine exchange.
- (1) While engine exchanges are not included in the Workscope of this Agreement, in the event that an Engine is removed for an ESP® covered Repair or Overhaul, and the Engine is deemed by P&WC to be beyond economical Repair, P&WC may offer to the Operator or Owner to exchange an Engine.
 - (2) Such Engine exchange shall require the registered owner of the Engine to enter into an Exchange Engine Agreement for the purpose of transferring title of the Engines. The Engine Exchange Agreement shall then become, for the purpose of Identifying Engines covered by this Agreement, part of this Agreement.
 - (3) If Operator independently requests and/or performs an Engine exchange not covered under this Agreement, Operator must obtain P&WC ESP® program office's prior approval for inclusion of the exchange engine into this Agreement. Operator shall be responsible for all Engine exchange adjustment costs for hours and cycles and exchange fees.

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
"P&WC CONTROLLED" (Rev. April 2003)

Annex B Workscope (continued)

11. **Freight.** Where freight is covered under this Agreement, an Engine or Component shall be shipped utilizing normal "air-ride" surface transportation, where possible, or where air transportation is required, second day service. In AOG (Aircraft On Ground) situations (flight scheduled within next 48 hours), P&WC may approve overnight air freight service for shipment of Components to the Operator.

Operator is required to ensure that Engines, Rental Engines or Components that are shipped to a P&WC facility under this Agreement are adequately packaged or crated in accordance with the Engine or Component maintenance manual, and comply with all hazardous material and customs requirements.

P&WC CONTACTS FOR ESP® WORK AUTHORIZATION NUMBER:

P&WC ESP® PROGRAM OFFICE (9AM – 5PM EASTERN TIME ZONE) Call: 1 (450) 468-3771

(U.S. & Canada toll free 1-888-479-2377)

P&WC 24 HOUR CUSTOMER HELP DESK

Call: 1 (450) 647-8000

(U.S. & Canada toll free 1-800-268-8000)

12. Mobile Repair Team (MRT) for AOG (Aircraft on Ground)*

For an Engine enrolled in an ESP® Gold or Gold Lite plan, in the event that such Engine becomes unserviceable for an ESP® covered Basic Unplanned Engine maintenance requirement,

- (1) in a location where P&WC deems that there are no qualified and licensed maintenance personnel, and
- (2) due to the unserviceable Engine, the Aircraft can not be flown to a service facility where such personnel are available,

P&WC will, upon receipt of notification from the Operator, and upon P&WC's verification of initial troubleshooting of the Aircraft and Engine, promptly establish the requirement for, locate and dispatch, subject to availability, a Mobile Repair Team (MRT) to the Operator's Aircraft location. For clarity, this provision of coverage does not apply to any scheduled maintenance events, such as, but not limited to, HSI, periodic line maintenance, or engine removal and installation for overhaul, unless specifically approved by P&WC.

Where such maintenance action is confirmed by P&WC to be covered under the ESP® Gold or Gold Lite plan, and when such MRT has been requested and arranged by P&WC, the ESP® program will cover the following costs, namely:

- (1) the reasonable costs to locate the MRT on-site, including transportation, accommodation, and meals, up to a maximum of five (5) days; and
- (2) the reasonable costs of shipping tools, manuals, engine stands, and required replacement part(s) or engine.

The MRT will perform maintenance tasks that can be accomplished at a line maintenance level in accordance with P&WC Maintenance Manual requirements and under ESP® Instructions.

The Disclosure of this Agreement is subject to the restrictions of Article 15 contained herein.
*P&WC CONFIDENTIAL (Rev. April 2003)

The Operator agrees that, in the event that the required maintenance is not covered under ESP[®] (refer to Scope, Terms and Conditions, article 3.2, Exclusions), the Operator shall pay all costs incurred in relation to the MRT. Without limitation to the foregoing, the Operator shall be obligated to immediately provide a purchase order to the service facility providing such MRT.

* "AOG" means aircraft on ground, and indicates a condition where an Aircraft is no longer airworthy and able to continue in service until appropriate action is taken to return the Aircraft to a serviceable or airworthy condition.

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
"P&WC CONTROLLED" (Rev. April 2003)

APPENDIX 1 to ANNEX B: WORKSCOPE

PT6A / PT6B / PT6C / PT6T series

Legend: **P**: P&WC expense
O: Operator expense
N: Not applicable

WORKSCOPE COVERAGE

	Scheduled Overhaul	Scheduled HSI	BUER Repair	Unscheduled LRU
Consumables	P	P	P	P
Designated Facility Shop Labour	P	P	P	P
Repair/Replacement Parts/ LRUs , Required (1), excluding Life Limited Parts	P	P	P	P
Life Limited Parts (2) *	O	O	O/P (2)	N
Service Bulletins, Required (1) and (3)	P	P	P	P
Service Bulletins, Optional	O	O	O	O
Support Rental Engines (4)	P	N	P	N
Test Cell and Bulk Issue	P	N	P	N
Engine or LRU Removal/Installation/Access Labour (6) *	O	O	O	O
Troubleshooting Labour (6)	N	N	P	P
Freight: Engines * (5)	O	N	O	N
Freight: special order parts * (5)	N	O	N	O

* When identified as "INCLUDED" in "WORKSCOPE PROVIDED" on the Agreement signature page under SPECIFICATION, the respective item identified as "O" is at P&WC's expense subject to the terms in this Agreement.

NOTES:

- (1) Includes Line Replaceable Units (LRUs) listed in Annex F, and Excludes Life Limited Parts listed in Annex F, and subject to Annex B section 3 and 5.
- (2) Subject to Annex B section 3. For BUER Repair, for Gold and Silver plan, coverage is for domestic object damaged LLP. For Gold Lite and Silver Lite plan, BUER Repair coverage is for domestic object damaged LLP's only and is based on a pro-rata of life used vs. life remaining on the LLP.
- (3) Subject to Annex B section 9.
- (4) Subject to Annex B section 6.
- (5) Subject to Annex B section 11.
- (6) Allocation in manhours per Engine event as specified below:

Engine removal & installation: 45 hours maximum

Troubleshooting – BUER: 10 hours maximum for Silver Plans. As required for Gold Plans, provided P&WC representative is involved from onset.

Troubleshooting – LRU: 5 hours maximum for Silver Plans. As required for Gold Plans, provided P&WC representative is involved from onset.

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
 "P&WC CONTROLLED" (Rev. April 2003)

ANNEX D: PT6T, PT6B, PW200

The Operator shall perform and record an Engine power assurance check as per the airframe manufacturer's Flight Manual at a minimum interval of once per week or once per 25 Engine Hours, whichever occurs first. The Operator shall submit all the recorded Engine power assurance data to ESP's Designated Analysis Centre at the end of each interval, or at a minimum, all the month's readings once every month. ESP's program office shall provide the Operator with coordinates to communicate power assurance readings to ESP's Designated Analysis Centre, who shall provide the format and data transmission modes available. The Operator is responsible for monitoring Engine parameters at all times, and whenever any step change is observed or suspected, is responsible to immediately perform an Engine power assurance check, and submit the recorded data to the Designated Analysis Centre immediately thereafter.

Where power assurance checks are not required or specified by the airframe manufacturer, the Operator shall follow P&WC's Helicopter Engine Condition Trend Monitoring® program requirements, also known as HECTM® program, by recording and submitting to the ESP's Designated Analysis Centre the HECTM® Engine performance data on an interval as specified above for Engine power assurance checks.

Current Designated Analysis Centre

Altair Avionics Corporation
63 Nahatan Street, Suite 300
Norwood, Massachusetts 02062
USA
Tel: 781-762-8600
Fax: 781-762-2287

Where P&WC has provided the Operator with HECTM® software, or hardware, such software or hardware is loaned to the Operator and remains the property of P&WC. Upon sale or transfer of the aircraft, Operator shall, adequately package and return the software and hardware to P&WC, or upon P&WC's instructions, forward to the new ESP operator.

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
"P&WC CONTROLLED" (Rev. January 2004)

ANNEX E: P&WC SERVICE BULLETIN COMPLIANCE CODES**COMPLIANCE CODE****COMPLIANCE STATEMENT**

Category 1-

P&WC recommend to do this service bulletin before the next flight.

Category 2-

P&WC recommend to do this service bulletin the first time the aircraft is at a line station or maintenance base that can do the procedures.

Category 3-

P&WC recommend to do this service bulletin within _____ hours or _____ cycles.

Note: Category 3 may be expanded as required, to specify the minimum and/or maximum and/or repetitive interval/inspection.

Category 4-

P&WC recommend to do this service bulletin the first time the engine or module is at a maintenance base that can do the procedures, regardless of the scheduled maintenance action or reason for engine removal.

Category 5-

P&WC recommend to do this service bulletin when the engine is disassembled and access is available to the necessary sub-assemblies (i.e. modules, accessories, components, build groups). Do all spare sub-assemblies.

Category 6-

P&WC recommend to do this service bulletin when the sub-assembly (i.e. modules, accessories, components, build groups) is disassembled and access is available to the necessary part. Do all spare sub-assemblies.

Category 7-

This service bulletin can be done when the supply of superseded parts is fully used.

Category 8-

This service bulletin is optional and can be done at the decision of the Operator.

Category 9-

Spare Parts Information Only. Old and new parts are directly interchangeable and operators can mix old and new parts.

Category CSU

Operators who participate should include this Service Bulletin at the next maintenance or overhaul of the engine.

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
"P&WC CONTROLLED" (Rev. September, 2001)

ANNEX F: LINE REPLACEABLE UNITS AND LIFE LIMITED PARTS**PT6T**

For the purpose of this agreement, Line Replaceable Units (LRU)'s and Life Limited Parts (LLP)'s are those supplied by P&WC to the airframe manufacturer, as specified in the engine build specification, and do not include items such as starters, generators, hydraulic pumps, transmission, or any other airframe manufacturer installed or supplied items.

Following is a list of the LRU's and LLP's for the purpose of this agreement:

Line Replaceable Units

Bleed Valve
Flow Divider Dump Valve
Fuel Control Unit (A) AFCU, (B) MFCU
Fuel Pump
Ignition Cable
Ignition Exciter
Governor Nf (P.T.)
Trim Compensator
TCU (Torque Control Unit)
Oil to Fuel Heater
Chip Detectors

Life Limited Parts

Hub
Rotor (2nd, 3rd stages)
Impeller
Compressor Turbine Disk
Power Turbine Disk

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
"P&WC CONTROLLED" (Rev. September, 2001)

ANNEX G: TRANSFER OF BENEFITS

1. P&WC will terminate this Agreement with the Operator and enter a new ESP® agreement with a new operator subject to the following terms and conditions:
 - a) written notification from the Operator to P&WC requesting termination and transfer of benefits of this Agreement to the Operator
 - b) the Operator has not received a credit of the positive balance as specified in Attachment 1, TERMINATION, or where Annex I is applicable to this Agreement, the benefits of "Annex I" have not been received by the Operator, which shall render this Agreement non-transferable;
 - c) an ESP® Enrollment Application form is completed and submitted by the new operator to the ESP® Manager;
 - d) payment to P&WC of all amounts due from the Operator as a result of this Agreement to the date when the Engine(s) is (are) transferred to the new operator;
 - e) delivery to P&WC of copies of the Aircraft and Engine logbooks reflecting the total times of the Engines on the date of transfer to the new operator;
 - f) at P&WC's option, a borescope inspection and ground run engine performance check by a P&WC representative at the Operator's expense, confirming acceptable and serviceable Engine condition;
 - g) payment to P&WC of the transfer fee established for the duration of this Agreement as set out in Item 2 below;
 - h) execution by the new operator of a new ESP® agreement given the then prevailing rates, terms, and conditions;
 - i) if applicable, provide P&WC ESP® with a certified copy of the registered owner's consent to this transfer of benefits;
 - j) compliance with all of the above terms and conditions by both the Operator and the new operator within 12 weeks of the sale or transfer of the Aircraft from the Operator to the new operator; and,
 - k) any software or hardware related to Engine Condition Trend Monitoring (ECTM®), or Avialink, provided free of charge by P&WC to the Operator, shall be adequately packaged and shipped to P&WC, or upon P&WC's instructions, forwarded to the new Operator.
2. Transfer Fee: \$2,200.00 USF

The Disclosure of this Agreement is subject to the restrictions of Article 16 contained herein.
"P&WC CONTROLLED" (Rev. September 14, 2001)

ANNEX H: CONSENT FROM OWNER OR AIRCRAFT INTEREST HOLDER ("AIH")

Dated: _____

FROM: (Please type or print legibly)

Name: _____
Address: _____
Phone: _____
Fax: _____

Hereinafter the: ☐ "Owner" OR ☐ "AIH"
(Please Indicate one)

ESP® Agreement No.: _____
Dated: _____

Hereinafter the "ESP®"

TO:

Name: _____
Address: _____
Phone: _____
Fax: _____

Hereinafter the "Operator"

Aircraft Serial No.: _____
Engine serial nos.: _____

Hereinafter the "Engines"

WHEREAS:

- the Operator wishes to enter into the ESP® for the benefit of the Engines;
- the Owner/AIH recognizes that the ESP® represents an added value to the Engines.

THEREFORE:

1. The Owner/AIH agrees and consents to the Operator entering into the ESP® for the benefit of the Engines.
2. The Owner hereby certifies and warrants that it is the registered owner of the Engines, free and clear of all liens or encumbrances created by the Owner.

OR (as applicable)

The AIH hereby certifies and warrants that it is the holder of a security interest registered against the Engines, such security interest being free and clear of all liens or encumbrances as of (date of transaction funded), save and except the applicable encumbrances created as a result of or in relation to the security interest.

3. The Operator hereby certifies and warrants that it has not created any liens or encumbrances, and shall not create any liens on the Engines without prior written approval from the Owner/AIH and P&WC.
4. P&WC shall make best efforts to simultaneously provide the Owner/AIH with a copy of any notice of default under the ESP® (the "Notice of Default"). The Owner/AIH shall have the option to remedy any such default within thirty (30) days of receipt of the Notice of Default. In such event, the Owner/AIH shall have the right to enter into a follow-on standard ESP® agreement at the then prevailing terms and conditions, provided the Owner/AIH shall have remedied all existing defaults of the Operator under the ESP® agreement. For purposes of clarity, the provision hereinabove shall not be construed or otherwise interpreted as a renunciation of P&WC to exercise any and all available recourses against the Operator for any default under the ESP®.

IN WITNESS THEREOF, THE OWNER/AIH AND OPERATOR HAVE EXECUTED THIS CONSENT IN TRIPPLICATE ORIGINALS AS OF THE DATE FIRST SET OUT ABOVE.

Owner/AIH Signature: _____

Operator Signature: _____

Name (Print): _____

Name (Print): _____

Title: _____

Title: _____

Appendix B PRICE SCHEDULE

PRICE SUMMARY

ALL BELL HELICOPTERS

Per Flight Hour

1. *Pratt & Whitney Canada ESP®
Gold Eagle Service Plan™ PT-6 Engine Twinpac:
 - a) 2 Engines
 - b) Gearbox Assembly
2. Fleet Enhancement Program

\$271.50

\$109.11

Total Pratt & Whitney Canada Plan

Fixed Hourly (Flight) Price Rate:

\$ 380.61

*Engine price rates shall be based on 3 Cycle/ Flight Hour.

**LUMP SUM BUY-IN

One Time Amount

Serial #36248; Mod # 412EP; 0465-01	\$300,000.00
Serial #36269; Mod # 412EP; 0634-01	\$220,000.00
Serial #33111; Engine Mod #TH0363 (TSN 1831)	\$299,000.00

Total Pratt & Whitney Plan

One Time Buy-In Fee:

\$819,000.00***

** Note that the pricing provided for the FEP was predicated on an engine exchange occurring in lieu of an overhaul at the end of the 4000 hour TBO (time between overhaul) period, and that such hourly rate would be paid for a period of 4000 hours. For clarity, should the engine require replacement prior to completion of the full TBO period (4000 hours total time since new), Miami Dade would be required to pay, at the time of engine exchange, for the difference between the scheduled TBO of 4000 hours and the actual hours on the engine at the time the engine is removed and replaced. For example, if the engine must be removed and replaced at 3500 hours, Miami Dade would be required to pay ((4000 hours - 3500 hours) multiplied by (the then current applicable FEP hourly rate)).

The 2 helicopter engines currently enrolled under ESP(R) Agreement number 0634-01 and 0465-01, we will extend the above offer for FEP pricing to add this feature to these engines. A lump sum buy-in for this option will be required and calculated based on the current engine total time since new multiplied by \$109.11. Subsequent to the buy-in fee payment, the aforementioned FEP rate of \$109.11 (2005 only) would apply, per terms stated above.

Upon approval of the above buy-in, and receipt of a duly completed ESP(R) Enrollment Application form (file attached) detailing the aircraft, engine and combining gearbox serial numbers and their respective total times, a Supplemental ESP Agreement will be prepared for the new helicopters.

*** This is a not to exceed number, the actual total for the buy-in will be calculated at the time of the buy-in no later than December 31, 2005.

Appendix C

SCOPE OF SERVICES - PRATT & WHITNEY CANADA FEP AGREEMENT

The scope, terms and conditions of the FEP Agreement will be the version as executed at the date of engine exchange. The following example of a current FEP Agreement is attached for reference and information purposes.

Customers name

Fleet Enhancement Program Agreement XX-XXXX

Date:

BETWEEN PRATT & WHITNEY CANADA CORP., a Canadian corporation having a place of business at 1000, Marie-Victorin, Longueuil, Québec.

(hereinafter called "P&WC")

AND CUSTOMER, an American Corporation having a place of business at STREET ADDRESS, CITY, STATE.

(hereinafter called "Company")

WHEREAS

A. Company wishes to enhance its fleet of Aircraft Model by the installation of new P&WC Engine Model engines/power sections in exchange for Company's normal time expired trade-in core engines; and

B. P&WC is willing to supply such engines on the terms and conditions herein set forth, based on the representation made by Company in regards to its current fleet of aircraft.

C. P&WC is pleased to offer Company the following quotation and agreement in accordance with its Fleet Enhancement Program ("F.E.P.") for the following new model engine(s)/power sections in exchange for Company's normal time expired model trade-in core(s), engine serial number(s) _____

Quantity: Number of engines

Engine Model: Model

Installation: Aircraft

Expected order date: _____

F.E.P. Selling Price (net of trade-in core credit): (F.E.P. price USD) per engine.

1 ORDERS AND LEADTIME

1.1 Order: The order shall be issued by Company for a quantity of () F.E.P. engine(s). The order shall contain the following information for P&WC's review and acceptance:

- (a) Aircraft owner's name;
- (b) Aircraft registration number for which the F.E.P. engine is being installed; and
- (c) F.E.P engine delivery schedule:

SERIAL #	MODEL	QTY	SHIPPING DATES

- (d) Core engine model;
- (e) Core engine serial number; and
- (f) Most current service bulletin status, life limited component and engine accessory listing. (including times, cycles where applicable)
- (g) Duly signed bill of sale in accordance with Appendix "B".
- (h) ~~Duly signed declaration incorporating conditions for normal time~~ expired core engines in accordance with Appendix "C".

Customer name

Fleet Enhancement Program Agreement XX-XXXX

Date:

- 1.2 **Normal Lead-time:** Company may issue orders from time to time setting forth its specific requirements for additional F.E.P. engines. Normal lead-time for an F.E.P. engine delivery is eight (8) months from receipt of an acceptable order. This lead-time may be subject to change based on market conditions. P&WC will promptly advise Company of changes in the lead-time when applicable. Subject to availability, P&WC may be able to deliver F.E.P. engines in a shorter lead-time and will confirm the delivery date at time of acceptance of Company's order.
 - 1.3 **Exclusive Terms and Conditions:** This Agreement defines all terms and conditions applicable to the purchase and sale of F.E.P. engines under a F.E.P. Printed terms and conditions contained in Company's orders shall not apply.
- 2 **Validity:**
 - 2.1 This quotation shall be valid for a period of thirty (30) days from the date of issue.
- 3 **Prior Sale:**
 - 3.1 Engine(s) quoted are available on a subject to prior sale basis or otherwise can be reserved in accordance with Article 4.
- 4 **Engine Reservation:**
 - 4.1 P&WC will reserve engines on the behalf of Company provided that Company pay P&WC a fifteen percent (15%) non-refundable deposit at placement of purchase order.
- 5 **Installation:**
 - 5.1 The engine(s) offered herein must be installed as a complete engine in an operating aircraft which has been certified by the Canadian Department of Transport (D.O.T.) and the United States Department of Transport, Federal Aviation Administration (F.A.A) for said type of engine.
- 6 **Resale:**
 - 6.1 Company shall not re-sell the new F.E.P. engine(s) without the prior consent of P&WC. In the event Company re-sells the new F.E.P. engine(s), Company shall in addition to paying the F.E.P. price, shall also pay the difference between the F.E.P engine price and P&WC's then current price for a new spare engine (without trade-in).
- 7 **Rescheduling:**
 - 7.1 **Rescheduling:** Company must notify P&WC in writing xxx (X) months prior of any change in the above delivery schedule and provide P&WC with a new delivery date. Failure by Company to advise P&WC will result in a rescheduling fee equal to 15% of the value of the rescheduled F.E.P. engine(s) which will be immediately payable to P&WC by Company and applied towards the purchase price of the F.E.P. Engine(s) covered by this Agreement, or forfeited if Company does not take delivery of Engine(s).

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- 7.1.1 Subsequent reschedules which take place within the xxx (X) month window will also require a rescheduling fee equal to 15% of the value of each previously rescheduled F.E.P Engine(s), however this fee will not be applied towards the purchase price of the F.E.P engine(s).
- 7.1.2 Company may not reschedule any F.E.P. engine(s) later than the initial last delivery date indicated in the delivery schedule to be furnished under paragraph 1.1(c).
- 7.1.3 In the event Company requests to reschedule any F.E.P. engine later than the initial last delivery date per paragraph 1.1 (c), the following remedy will apply: Pricing for the F.E.P engine will revert to P&WC's then current spare engine price without trade-in.

8 Core Acceptance

- 8.1 Core Engine Trade-in: The F.E.P. engine price is based on the trade-in by Company of an acceptable core engine for each new F.E.P. engine. Company shall, within fifteen (15) days from shipment of a new F.E.P. engine, deliver a core engine to P&WC. P&WC shall advise Company with shipping instructions and destination for core engine. Transportation costs shall be borne by Company. Risk and title shall pass to P&WC upon delivery at P&WC's facility. All core engines must be accompanied by a duly executed "Bill of Sale" as referenced in Appendix "B". In the event Company has not provided a trade-in core engine, PWC shall invoice and Company shall pay the difference between the F.E.P engine price and P&WC's then current price for a new spare engine (without trade-in).
- 8.2 Core Engines Representations and Warranties: Upon transfer of the core engine from Company to P&WC, Company shall represent and warrant that the core engine(s) i) have been operated and maintained in accordance with applicable Original Equipment Manufacture (OEM) maintenance and operational manuals and instructions; ii) have not been involved in an incident or accident; and iii) have had work performed and parts embodied either new or used in said core engine(s) meet all civil aviation and P&WC approved repairs.
- 8.3 Non-Compliant Core Engines: P&WC reserves the right to reject any core engine that does not comply with the conditions of acceptance of the core engine set out in Appendix "C" or if any of the representations and warranties in paragraph 8.2 above are in P&WC's sole opinion, found to be untrue. Upon receipt of notification of rejection, Company shall have the option to: (a) provide an acceptable replacement core engine within 30 days from said notification or (b) pay the differential between the F.E.P. engine price and P&WC's then current price for a new spare engine (without trade-in).

9 Payment terms:

- 9.1 Payment terms are Cash Before Shipment (CBS).

10 Standard Conditions Of Sale:

- 10.1 P&WC's "Standard Conditions Of Sale" attached hereto as "Appendix A" shall apply.

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11 WARRANTY AND SERVICE POLICY

11.1 Pratt & Whitney Canada warranty and service policy for the engine model engine series shall apply to all F.E.P. Engines delivered hereunder.

11.2 P&WC warrants that, at time of delivery to the original operator, the F.E.P. engine sold hereunder will be free from defects in material and/or manufacturing workmanship and will conform to applicable P&WC specifications. P&WC will, at its option, repair or replace and F.E.P. engine parts found to be defective, including resultant damage to your F.E.P. engine, provided that written notice of the defect is received from customer within 1000 engine operating hours from first flight. Transportation charges are accepted for F.E.P. Engine(s) returned to a facility designated by P&WC Warranty Administration in accordance with P&WC's shipping instructions.

11.3 Patent infringement: P&WC is responsible for the defense of any claim, alleging infringement of a Canadian or United States patent by sale or use of the goods without further combination, provided Company gives P&WC prompt written notice of such claim and full authority to defend it. P&WC's responsibility includes all expenses of defense and payment of costs and damages for patent infringement awarded by a court or agreed to by P&WC. If use or sale of the goods is finally prohibited, P&WC will, at its option (i) procure the right for sale or use, (ii) modify or replace the goods to avoid infringement or (iii) take back the Goods and refund the price (less a reasonable allowance for use or damage). Company will hold P&WC harmless against any claim of patent infringement arising out of compliance with a design or specification furnished by Company.

11.4 **THIS IS THE ONLY WARRANTY APPLICABLE TO ENGINES OPERATED IN NON-MILITARY AIRCRAFT USED FOR COMMERCIAL, CORPORATE OR PRIVATE TRANSPORTATION SERVICE AND IS GIVEN AND ACCEPTED IN PLACE OF ALL OTHER EXPRESS, IMPLIED OR STATUTORY TERMS, REPRESENTATIONS WARRANTIES OR CONDITIONS, IN CONTRACT OR IN TORT, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ALL SUCH OTHER TERMS, REPRESENTATIONS, WARRANTIES OR CONDITIONS ARE HEREBY EXPRESSLY DISCLAIMED. THE ONLY REMEDY FOR BREACH OF THIS WARRANTY IS AS SET OUT HEREIN. FOR GREATER CERTAINTY, IN NO EVENT SHALL P&WC BE RESPONSIBLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH EITHER A BREACH OF THIS WARRANTY OR ANY TORTIOUS OR NEGLIGENT ACT OR OMISSION BY P&WC. SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES INCLUDE, WITHOUT LIMITATION, ECONOMIC LOSS, LOSS OR DAMAGE TO ANY PROPERTY OR PERSON OR ANY OTHER EXEMPLARY, PUNITIVE OR SIMILAR DAMAGES, AS WELL AS EXPENSES INCURRED EXTERNAL TO THE ENGINE AS A RESULT OF AN ENGINE OR PART DEFECT. NO VARIATION OR EXTENSION OF THIS WARRANTY OR REMEDIES SHALL BE BINDING UNLESS IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF P&WC.**

IN NO EVENT SHALL P&WC'S LIABILITY EXCEED THE PRICE ON THE FACE OF THIS ORDER, WHETHER BASED IN CONTRACT, STRICT LIABILITY, FAULT, TORT, NEGLIGENCE OR ANY OTHER ASSERTED RIGHT.

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12 General Terms

- 12.1 Neither party shall disclose without the prior written approval of the other party, any information regarding terms and conditions of this Agreement to any third party other than the party's affiliates and advisors on a need-to-know-basis, nor advertise or release any publicity concerning this Agreement, except in each case pursuant to court of other government requirement. The provisions of this paragraph shall survive termination of this Agreement.

SIGNED in duplicate by the duly authorised representatives of each party:

PRATT & WHITNEY CANADA CORP.**COMPANY**

Name: _____

Title: _____

Date: _____

Name: _____

Title: _____

Date: _____

Customer name

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Date:

APPENDIX "A"

PRATT & WHITNEY CANADA CORP.

STANDARD CONDITIONS OF SALE

1. **Delivery:** Pratt & Whitney Canada Corp. ("P&WC") will deliver the engines or parts covered by this order "Goods" FCA (Incoterms 2000) to Company's carrier at P&WC's plant. Title and risk pass to Company on delivery. In the event delivery is delayed due to actions or omissions of Company, P&WC may, in its discretion, charge reasonable storage fees.
2. **Export permits:** The order is subject to applicable Canadian and U.S. export controls. At Company's request, P&WC will apply for any necessary export permits or approvals, but P&WC is not responsible for their issuance or renewal or any costs associated therewith.
3. **Taxes:** Company is responsible for all taxes, duties and other charges of any nature whatsoever, including interest and penalties thereon, arising from the sale, delivery or use of the goods or from the provision of services under this order, and will reimburse P&WC for any such charges P&WC may be required to pay directly to a governmental authority or to a designated facility which performs any of the services covered under this order.
4. **Changes:** P&WC may make minor changes and improvements to the goods, which do not affect price, installation or the interchangeability of major parts. No other modification of the order is binding unless agreed to in writing by both parties.
5. **Delay:** P&WC is not responsible for any failure or delay in performance resulting from causes beyond P&WC's reasonable control. These may include but are not limited to events such as acts of government, court order, civil unrest, sabotage, adverse weather conditions, labor troubles and shortage of materials or services. P&WC will give timely notice to Company of any such event and will endeavor to avoid or remove the cause and resume performance with minimum delay. The time for delivery will be extended accordingly.
6. **Terms of Payment:** Terms of payment shall be agreed to with P&WC. Overdue accounts will be subject to interest calculated and accrued at the rate of one and a half percent (1.5%) per month, or the U.S. Prime Rate, plus five percent (5%) per annum, whichever is greater. In addition, Company shall reimburse P&WC for all attorneys' fees and other expenses incurred by P&WC in recovering any sums due from Company.
7. **Acceptance:** Company's order constitutes acceptance of all the terms and conditions hereof, which shall apply to the exclusion of any terms and conditions contained in any order or communication of Company not specifically agreed to in writing by P&WC. P&WC's acceptance of Company's order for the purchase of products or services is expressly made conditional on Company's acceptance of the terms contained herein.

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8. **Termination:** P&WC may terminate the order at any time by written notice to Company if Company fails to pay any amount when due or if Company becomes insolvent or performs or permits any act of bankruptcy, liquidation, reorganization or if a receiver, trustee or custodian is appointed of Company or a substantial part of Company's property. On termination P&WC shall have no further obligation to Company under the order and Company will reimburse P&WC's termination costs, including a reasonable allowance for profit, and all legal fees and expenses incurred in connection herewith.
10. **Assignment:** Company may not assign the order without the prior written consent of P&WC.
11. **Language and Governing Law:** Both parties have agreed that this order be written in the English language and governed by the laws of the Province of Ontario, Canada, excluding the United Nations Convention on Contracts for the International Sale of Goods.

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APPENDIX "B"

BILL OF SALE

For good and valuable consideration, the receipt and sufficiency is hereby acknowledged, Company as beneficial owner hereby transfers and sells all of its rights, title, and interest in the aircraft engine(s) described below to Pratt and Whitney Canada Corp. (P&WC), a Canadian corporation, whose address is 1000 Marie-Victorin, Longueuil, Quebec J4G 1A1 and its successors and assigns forever.

Engine description:

- 1) Engine model: _____
2) Engine serial no: _____

Removed from Aircraft:

- 1) Aircraft serial no: _____
2) Aircraft registration no: _____

*Risk and title shall pass to P&WC on delivery at P&WC's facility.

Company hereby warrants that its title to said engine(s) is free and clear of all liens, claims, charges and encumbrances; that Company shall defend title to said engine(s) against the claims of any person, firm or corporation claiming under Company, and that the said Engine(s) has (have) not been involved in an incident and/or accident.

In witness whereof the Company has caused this instrument to be executed by its duly authorised representatives this day.

COMPANY

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Customer name

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Date:

APPENDIX "C"**Conditions for normal time expired Core Engines**

- Core engine(s) must be normal time expired, complete with all engine maintenance records and logbooks from date of manufacture.
- Core engine(s) must be complete with all normal time expired engine accessories as illustrated in the Original Equipment Manufacturer (O.E.M.) parts catalogue.
- Engine(s) must be packaged and preserved in accordance with appropriate O.E.M. manuals
- COMPANY warrants that all work performed and parts previously embodied either new or used in said core engine(s) meet all civil aviation and P&WC approved repair criteria.
- Engine(s) has been operated within the operating limits as defined in the certificate of airworthiness issued by the O.E.M. and that the engine(s) has not suffered Foreign Object Damage (F.O.D.) or have/has been involved in an incident / accident.
- A visual inspection of the core engine(s) and a review of all core engine logbooks will be performed by Pratt and Whitney Canada Corp. ("P&WC") or one of its approved Service Centre representatives upon receipt, and if any of the above terms and conditions are not complied with by Company, P&WC reserves the right to reject the core engine(s).
- Upon receipt of the notification of rejection Company shall have the option (a) to provide within 30 days from said notification an acceptable replacement Core engine(s), or (b) to pay the differential between the F.E.P. engine price and P&WC's then current price for new spare engine(s) (without trade-in core engines)
- P&WC shall not be held responsible for any accumulated expenses, prior debts, duties and/or taxes accumulated by Company at the time of purchase.

This declaration certifies that the engine(s) is currently operated and maintained in accordance with the requirements of the civil aviation regulations, including the recording and declaration of all maintenance activities, operating limits exceedances and unusual conditions. Any deviations to the above mission would be declared to P&WC prior to starting any repair or overhaul of the engine(s) and their components

Note: In determining whether or not to enter into this Agreement and establish the F.E.P. engine price, P&WC has relied upon representations made by Company, including information on core engine(s). Any major discrepancies found by P&WC may result in an adjustment of the F.E.P. engine price by P&WC.

Appendix D

PRATT & WHITNEY CANADA ESP® GOLD

Invoice / Monthly Service Plan Report

ESP #	Invoice No.	Pratt & Whitney Canada A United Technologies Company
	Month Year	
A/R Code		EAGLE SERVICE PLAN ESP®

ESP® Monthly Report / Power Charge Invoice Histogram

EAGLE SERVICE PLAN (ESP®)

FOR THE MONTH OF:

7474020991001

This is your invoice document. No other invoice will be generated by Pratt & Whitney Canada. Please ensure that your invoice number (created by writing in your ESP® number and date on top left corner) is written clearly on your checks or wire transfer.

Fax to ESP® Administration every month.

Fax to: 450-468-3772

or: 450-468-7807

Aircraft Model	Aircraft S/N	Aircraft Registration	Left Engine S/N	Right Engine S/N	Gearbox (PT6T ONLY) S/N
This Month End	Total Time Since New	Aircraft Hrs	(A) Hrs	Hrs	Hrs
Previous Month End	Total Time Since New		(B) Hrs	Hrs	Hrs
Hours Operated This Month	(A) Minus (B)	(C)	Hrs	Hrs	Hrs
Hourly Rate (U.S.\$)		(D) \$		\$	\$
Sub Total Power Charge	(C) Times (D)	(E) \$		(F) \$	(G) \$
Rental Engines (if applicable, ESP® covered events only)	S/N PCE -	S/N PCE -	S/N RGE -		
Rental Engine(s) or Gearbox	(H) Hrs	Hrs	Hrs	Hrs	Hrs
Hours Operated This Month	(I) \$	(J) \$	(K) \$		
Sub Total Rental Engine Power Charge (H) Times (D)					
Total Power Charge Due (E+F+G+I+J+K)		\$		U.S.F.	

OEI Excursions	# of Excursions	Time spent in the power range
----------------	-----------------	-------------------------------

Number of Engine Starts	Month	Total	Month	Total	Month	Total
Number of Flights	Month	Total	Month	Total	Month	Total
Number of Rapid Take-Offs (R.T.O.) *	Month	Total	Month	Total	Month	Total

Total ESP® Engine Cycles = Total Number of Starts + (Total Number of Flights - Total number of starts) + (Total Number of R.T.O. x 9.5)

(ESP Purposes only)

*R.T.O. = Rapid Take-Off on PW204, where Rapid Take-Off occurs within 1.5 minutes of engine start

Calculate this month's engine cycles per formula above, add to last month, and report new total PCEP engine cycles below

This Month End	Total ESP® Cycles Since Now	Engine Cycles	Engine Cycles	Engine Cycles
----------------	-----------------------------	---------------	---------------	---------------

Certification: I certify that the Engine data reported here are true and correct.

Date	Signature of Authorized Operator Representative	Company/Operator
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The Total Power Charge payable to "Pratt & Whitney Canada Inc." is due no later than the 15th day of the following month, or the next business day.

Overdue payment(s) will be subject to interest and penalty charges of 1.5% per month (18% per annum).

Submission of this report is required even when (0) hours are flown.

Payment by Courier or U.S. Postal Service:	Payment by Bank to Bank Wire Transfer (U.S.\$)
<p>Mail check in U.S.\$ and payable to a U.S. Bank to:</p> <p>Pratt & Whitney Canada Corp. Attention: ESP® Service Center 14000 Frye Road Fort Worth, Texas USA 76154 A/c: Pratt & Whitney Canada Corp. Account: 730011</p> <p>Pratt & Whitney Canada Corp. P.O. Box 730011 Dallas, Texas USA 75223</p>	<p>U.S.A. Customers</p> <p>Pay To: Wells Fargo Bank N.A., NEW YORK Swift Code: FWB333 FEDWIRE ABA 0260095002 or CHIPS Participant ABA# 0609</p> <p>Beneficiary Bank/Account: Bank of Montreal Swift Code: BOMTUS33 Account Number: 2000122005878 or 00078 (if applicable) 00000</p> <p>Beneficiary: 01434400007 Pratt & Whitney Canada Corp. Longueuil, Quebec, Canada</p>

Note: Please ensure monthly Engine Condition Trends Monitoring data is submitted to the designated DAC.

GST Reg No. R124281004
 GST Hstg No. 100-162-2165